BRADLEY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)

SEWER REFUNDING REVENUE BONDS, SERIES 2017 A (BANK QUALIFIED)

BOND RESOLUTION

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BRADLEY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)

A RESOLUTION AUTHORIZING THE REFUNDING OF THE DISTRICT'S SEWER REVENUE BONDS, SERIES 1978, SEWER REVENUE BONDS, SERIES 1995 A, SEWER REVENUE BONDS, SERIES 1995 B AND SEWER REVENUE BONDS, SERIES 1995 C AND THE FINANCING OF THE COSTS THEREOF, NOT OTHERWISE PROVIDED, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS, THROUGH THE ISSUANCE OF SEWER REFUNDING REVENUE BONDS, SERIES 2017 A (BANK QUALIFIED), OF THE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $3,500,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING A BOND PURCHASE AGREEMENT, A PRELIMINARY OFFICIAL STATEMENT, AN OFFICIAL STATEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, Bradley Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Raleigh County of said State;

WHEREAS, the Issuer presently owns and operates a public sanitary sewerage collection and treatment system (collectively, the "System") in Raleigh County and has heretofore financed the acquisition and construction of the System and certain additions, betterments and improvements thereto through the issuance of several series of bonds, notes or refunding bonds, of which there are presently outstanding the Prior Bonds and the Bonds to be Refunded, as hereinafter defined;

WHEREAS, all of the Prior Bonds and Bonds to be Refunded, as hereinafter defined, were issued pursuant to resolutions of the Issuer previously enacted (such resolutions, as so amended and supplemented, collectively herein called the "Prior Resolutions");

WHEREAS, under the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), the Issuer is authorized and empowered to issue refunding revenue bonds for the purpose of refunding, paying or discharging all or any part of its outstanding debt obligations secured by any revenues of the System, including interest thereon;

WHEREAS, the Issuer has determined and hereby determines that present value debt service savings would result from the Issuer's current refunding of the following outstanding Bonds (collectively, the "Bonds to be Refunded"): Sewer Revenue Bonds, Series 1978, dated December 17, 1979, issued in the original aggregate principal amount of $1,522,000 (the "Series 1978 Bonds"); Sewer Revenue Bonds, Series 1995 A, dated March 16, 1995, issued in the original aggregate principal amount of $2,000,000; Sewer Revenue Bonds, Series 1995 B, dated March 16, 1995, issued in the original aggregate principal amount of $1,676,000; and Sewer Revenue Bonds, Series 1995 C, dated March 16, 1995, issued in the original aggregate principal amount of $250,000;

WHEREAS, the Issuer has determined that it is in the best interests of the customers of Bradley Public Service District and other users of the System to currently refund the entire outstanding principal amount of the Bonds to be Refunded;

WHEREAS, the Issuer has determined that the aforementioned refunding of the Bonds to be Refunded should be financed with the proceeds from the issuance of the Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified), in the original aggregate principal amount of not more than $3,500,000 (the "Series 2017 A Bonds"), such Series 2017 A Bonds to be secured by and payable from the Net Revenues (as hereinafter defined) of the System;

WHEREAS, upon the payment of the outstanding principal of, and accrued interest on, the Bonds to be Refunded, there are outstanding obligations of the Issuer which will rank on a parity with the Series 2017 A Bonds as to liens, pledge and source of and security for payment being the Issuer's:

(1) Sewer Revenue Bond, Series 2005 A (State Revolving Fund), dated January 14, 2005, issued in the original aggregate principal amount of $6,192,677 and held by the West Virginia Water Development Authority (the "Series 2005 A Bonds"); and

(2) Sewer Revenue Bonds, Series 2002 A (State Revolving Fund), dated June 25, 2002, issued in the original aggregate principal amount of $293,000 and held by the West Virginia Water Development Authority (the "Series 2002 A Bonds").

The Series 2005 A Bonds and the Series 2002 A Bonds are hereinafter collectively called the "Prior Bonds." The Prior Bonds are secured by a first lien on and a pledge of the Net Revenues of the System, on a parity with one another, and the Series 2017 A Bonds shall be issued on a parity therewith; and

WHEREAS, the Issuer has determined and hereby determines that it is in the best interest of the customers of the Issuer that its Series 2017 A Bonds be sold to the Original Purchaser (as hereinafter defined) thereof pursuant to the terms and provisions of a bond purchase agreement (the "Bond Purchase Agreement") between the Issuer and the Original Purchaser, hereinafter defined;

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF BRADLEY PUBLIC SERVICE DISTRICT:

ARTICLE I

DEFINITIONS; STATUTORY AUTHORITY; FINDINGS

Section 1.01. Definitions. All capitalized terms used in this Resolution and not otherwise defined in the recitals or in the text hereof shall have the meanings specified below, unless the context expressly requires otherwise:

"Act" means Chapter 16, Article 13A of the West Virginia Code of 1931, as amended and in effect on the date of delivery of the Series 2017 A Bonds.

"Authorized Officer" means the Chairman of the Governing Body of the Issuer or any Acting Chairman duly selected by the Governing Body.

"Bond Commission" means the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia which succeeds to the functions of the Bond Commission.

"Bond Counsel" means any law firm having a national reputation in the field of public finance whose opinions are generally accepted by purchasers of municipal bonds, appointed by the Issuer, and shall initially mean Steptoe & Johnson PLLC, Charleston, West Virginia.

"Bonds to be Refunded" means, collectively, the Series 1978 Bonds, the Series 1995 A Bonds, the Series 1995 B Bonds and the Series 1995 C Bonds.

"Bondholder," "Holder of the Bonds," "Owner of the Bonds" or any similar term means any person who shall be the registered owner of any outstanding Bond.

"Bond Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of Bonds.

"Bond Year" means the 12-month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, or such other period as shall be determined by the Issuer, except that the first Bond Year shall begin on the Closing Date.

"Bonds" means, collectively, the Series 2017 A Bonds and the Prior Bonds, and any Additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

"Bond Resolutions" shall mean, collectively, the resolutions of the Issuer, as may have been supplemented, which authorized the issuance of the Prior Bonds.

"Business Day" means any day other than a Saturday, Sunday or a day on which national banking associations or West Virginia banking corporations are authorized by law to remain closed.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2017 A Bonds in substantially the form set forth in EXHIBIT A – FORM OF SERIES 2017 A BONDS, attached hereto.

"Chairman" means the Chairman of the Governing Body of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2017 A Bonds for the proceeds representing the original purchase prices thereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations thereunder.

"Costs" or similar terms mean those costs described in Section 1.03 hereof.

"Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issuer as Depository Bank.

"DTC" means the Depository Trust Company, New York, New York, or its successor thereof.

"DTC-eligible" means, with respect to the Series 2017 A Bonds, meeting the qualifications prescribed by the Depository Trust Company, New York, New York.

"Event of Default" means any occurrence or event specified in Section 7.01.

"FDIC" means the Federal Deposit Insurance Corporation or any successor to the functions of the FDIC.

"Fiscal Year" means each 12-month period beginning on July 1 and ending on the succeeding June 30.

"Governing Body" or "Board" means the Public Service Board of the Issuer, as it may now or hereafter be constituted, as provided by the Act.

"Government Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined), or any Tap Fees, as hereinafter defined.

"Independent Certified Public Accountant" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System or for any purpose except keeping the accounts of the System in the normal operation of its business and affairs, and shall specifically not include a certified public accountant who is an employee of the Issuer.

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

"Issuer" means Bradley Public Service District, a public service district and public corporation and political subdivision of the State of West Virginia, in Raleigh County of said State, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Net Proceeds" means the face amount of the Series 2017 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Series 2017 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2017 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means the balance of the Gross Revenues remaining after deduction of Operating Expenses, as hereinafter defined.

"Nonpurpose Investment" means any investment property which is acquired with the gross proceeds of the Series 2017 A Bonds and is not acquired in order to carry out the governmental purpose of the Series 2017 A Bonds.

"Operating Expenses" unless qualified, means the accrual basis expenses of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the design, acquisition, construction or equipping of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current operations, fees and expenses of fiscal agents and of the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles. Operating Expenses does not include the payments on account of the principal of, redemption premium, if any, or interest on any Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount, any administrative fee payable to an agency of the State in connection with any Bonds or such miscellaneous deductions as are applicable to prior accounting periods.

"Original Purchaser" means such person or persons, firm or firms, bank or banks, corporation or corporations or such other entity or entities as shall purchase the Series 2017 A Bonds directly from the Issuer, as determined by the Supplemental Resolution, as hereinafter defined; provided, that the Original Purchaser and the Issuer shall agree to the purchase of the Series 2017 A Bonds, as hereinafter defined, including the exact principal amount thereof and interest rate or rates thereon as determined by said Supplemental Resolution.

"Outstanding," when used with reference to the Series 2017 A Bonds and as of any particular date, describes all Bonds theretofore and thereupon being issued and delivered except (a) any Bond canceled by the registrar for such Bond at or prior to said date; (b) any Bond for the payment of which monies, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Resolution and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by Section 9.01; and (d) with respect to determining the number or percentage of Bondholders or Bonds for the purpose of consents, notices and the like, any Bond registered to the Issuer.

"Paying Agent," initially means the Bond Commission and any other paying agent or other entity designated as such for the Series 2017 A Bonds in the Supplemental Resolution, and any successor thereto appointed in accordance with Section 8.12 hereof.

"Prior Bonds" means collectively, the Series 2002 A Bonds and the Series 2005 A Bonds.

"Prior Resolutions" means the Bond Resolutions, as supplemented, of the Issuer.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"PSC" means the Public Service Commission of West Virginia.

"Purchase Price," for the purpose of computation of the Yield of the Series 2017 A Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 2017 A Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers), at which price a substantial amount of the Series 2017 A Bonds of each maturity is sold or, if the Series 2017 A Bonds are privately placed, the price paid by the first buyer of the Series 2017 A Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 2017 A Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2017 A Bonds.

"Qualified Investments" means and includes any investment permitted to be made by a municipality, public service district or public corporation of the State pursuant to State Law, specifically including but not limited to Chapter 8, Article 13, Section 22 of the Code of West Virginia and the West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the Code of West Virginia.

"Rebate Fund" means the Rebate Fund established in Section 4.01 hereof.

"Record Date" means the day of the month which shall be so stated in the Series 2017 A Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Redemption Date" means the date fixed for redemption of any Bonds of the Issuer called for redemption.

"Redemption Price" means the price at which any Bonds of the Issuer may be called for redemption and includes the principal of and interest on such Bonds to be redeemed, plus the interest and premium, if any, required to be paid to effect such redemption.

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Series 2017 A Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1954.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund created by the Prior Resolutions and continued hereby.

"Reserve Accounts" means, collectively, the respective Reserve Accounts established for the Series 2017 A Bonds and the Prior Bonds.

"Resolution" means this Resolution and all orders and resolutions supplemental hereto or amendatory hereof.

"Revenue Fund" means the Revenue Fund created by the Prior Resolutions and continued hereby.

"Secretary" means the Secretary of the Governing Body of the Issuer.

"Series 2002 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 2002 A (State Revolving Fund), dated June 25, 2002, issued in the original aggregate principal amount of $293,000, and held by the West Virginia Water Development Authority.

"Series 2005 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 2005 A (State Revolving Fund), dated January 14, 2005, issued in the original aggregate principal amount of $6,192,677 and held by the West Virginia Water Development Authority.

"Series 2017 A Bonds" means the Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified), of the Issuer, authorized to be issued pursuant to this Resolution.

"Series 2017 A Bonds Cost of Issuance Fund" means the Series 2017 A Bonds Cost of Issuance Fund created by Section 4.02 hereof.

"Series 2017 A Bonds Redemption Account" means the Series 2017 A Bonds Redemption Account created by Section 4.02 hereof.

"Series 2017 A Bonds Reserve Account" means the Series 2017 A Bonds Reserve Account created by Section 4.02 hereof.

"Series 2017 A Bonds Reserve Requirement" means, as of any date of calculation, the lesser of (i) 10% of the original stated principal amount of the Series 2017 A Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2017 A Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2017 A Bonds.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2017 A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution to be adopted by the Issuer following adoption of this Resolution, setting forth the final amounts, maturities, interest rates and other terms of the Series 2017 A Bonds and authorizing the sale of the Series 2017 A Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by this Resolution to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.

"System" means, collectively, the complete public sanitary sewerage collection and treatment system of the Issuer, as presently existing in its entirety or any integral part thereof, including all sanitary sewerage facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the Issuer's sanitary sewerage collection and treatment system, and shall include any additions, improvements and extensions thereto hereafter constructed or acquired for the System from any sources whatsoever.

"Term Bonds" means Bonds subject to mandatory sinking fund redemption, as described by Section 3.06 hereof.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations and vice versa; and words importing the masculine gender shall include the feminine and neuter genders and vice versa; and any requirement for execution or attestation of the Bond or any certificate or other document by the Chairman or the Secretary shall mean that such Bond, certificate or other document may be executed or attested by an Acting Chairman or Acting Secretary.

Additional terms and phrases are defined in this Resolution as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Resolution; and the term "hereafter" means after the date of adoption of this Resolution.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Resolution so numbered.

Section 1.02. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the Act and other applicable provisions of law.

Section 1.03. Findings. The Governing Body hereby finds and determines as follows:

A. The Issuer is a public service district, public corporation and political subdivision of the State of West Virginia in Raleigh County of said State.

B. The Issuer presently owns and operates the System which it has financed or refinanced, in part, pursuant to the issuance of the Prior Bonds and the Bonds to be Refunded.

C. It is deemed necessary for the Issuer to issue its Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified), in one or more series, in the total aggregate principal amount of not more than $3,500,000, to pay all or a portion of the outstanding aggregate principal of, and interest on, the Bonds to be Refunded. The proceeds of the Series 2017 A Bonds may also be applied to funding the Series 2017 A Bonds Reserve Account and the payment of underwriter's discount; financial advisor expenses; legal expenses; the premium for a municipal bond insurance policy, if determined to be financially advantageous for the Issuer; the premium for a municipal bond debt service reserve insurance policy, if determined to be financially advantageous for the Issuer; expenses for estimates of costs and revenues; administrative expense; discount; initial fees for the costs of services of registrar, paying agent, depository bank or trustee or other costs in connection with the sale of the Series 2017 A Bonds and such other expenses as may be necessary or incidental to the financing are herein authorized; and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2017 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall also be permitted.

D. It is in the best interests of the customers of the Issuer and the citizens of Raleigh County that the Series 2017 A Bonds be sold to the Original Purchaser pursuant to the terms and provisions of a bond purchase agreement or bond purchase agreements to be entered into by and between the Issuer and the Original Purchaser, in such form as may be approved by the Chairman of the Issuer.

E. The Series 2017 A Bonds shall be issued on a parity with one another and the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2017 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds have been met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2017 A Bonds on a parity with the Prior Bonds. Upon payment in full of the Bonds to be Refunded, other than the Prior Bonds and the Series 2017 A Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Resolutions.

F. The Series 2017 A Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the form set forth in EXHIBIT A – FORM OF SERIES 2017 A BONDS attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Resolution or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

G. All things necessary to make the Series 2017 A Bonds, when authenticated by the Registrar and issued as in this Resolution provided, valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2017 A Bonds, will be timely done and duly performed.

H. The adoption of this Resolution, and the execution and issuance of the Series 2017 A Bonds, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

I. The Issuer has complied with all requirements of West Virginia law relating to the operation of the System, the issuance of the Series 2017 A Bonds and the refunding of the Bonds to be Refunded, or will have so complied prior to issuance of any thereof.

Section 1.04. Resolution Constitutes Contract. In consideration of the acceptance of the Series 2017 A Bonds by those who shall own or hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders of the Series 2017 A Bonds, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of such Bondholders of any and all of such Series 2017 A Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II

AUTHORIZATION OF REFUNDING

Section 2.01. Authorization of Refunding. All Series 1978 Bonds, Series 1995 A Bonds, Series 1995 B Bonds and Series 1995 C Bonds Outstanding as of the date of issuance of the Series 2017 A Bonds, and all unpaid interest accrued thereon, if any, are hereby ordered to be refunded and paid in full and the pledge of Net Revenues in favor of the Registered Owners of the Bonds to be Refunded imposed by the Resolutions authorizing the issuance of the Bonds to be Refunded, the monies in the funds and accounts created by such Resolutions pledged to payment of the Bonds to be Refunded, and any other funds pledged by the such Resolutions to payment of the Bonds to be Refunded are hereby ordered terminated, discharged and released upon such payment to the Registered Owners of the Bonds to be Refunded. Contemporaneously with the payment in full of the Bonds to be Refunded, the amounts on

deposit in the respective sinking funds, and reserve accounts, and all other funds and accounts created and maintained on behalf of the Bonds to be Refunded, shall be released from the lien created by such Resolutions authorizing the issuance of the Bonds to be Refunded and applied as directed by the Chairman.

ARTICLE III

THE BONDS

Section 3.01. Form and Payment of Bonds. No Series 2017 A Bond shall be issued pursuant to this Resolution except as provided in this Article III. Any Series 2017 A Bonds issued pursuant to this Resolution may be issued only as fully registered Series 2017 A Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in a Supplemental Resolution). All Series 2017 A Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2017 A Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2017 A Bonds has been paid, from the date thereof; provided, however, that if, as shown by the records of the Registrar, interest on such Series 2017 A Bonds shall be in default, Series 2017 A Bonds issued in exchange for Series 2017 A Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2017 A Bonds surrendered.

The principal of and the premium, if any, on the Series 2017 A Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2017 A Bonds shall be paid by check or draft made payable and mailed to the Registered Owner thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $1,000,000 or more of the Series 2017 A Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

In the event any Series 2017 A Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Registered Owner thereof, another Series 2017 A Bond in the principal amount of said Series 2017 A Bond then Outstanding.

Section 3.02. Execution of Bonds. The Series 2017 A Bonds shall be executed in the name of the Issuer by the Chairman, by his or her manual or facsimile signatures, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary by his or her manual or facsimile signature; provided, that, all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Series 2017 A Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2017 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2017 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in

EXHIBIT A - FORM OF SERIES 2017 A BONDS attached hereto and incorporated herein by reference with respect to such respective Series 2017 A Bond, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Series 2017 A Bond has been authenticated, registered and delivered under this Resolution. The Certificate of Authentication and Registration on any Series 2017 A Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2017 A Bonds issued hereunder.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2017 A Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder, in accepting any of said Series 2017 A Bonds, shall be conclusively deemed to have agreed that such Series 2017 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder shall further be conclusively deemed to have agreed that said Series 2017 A Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2017 A Bonds remain Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2017 A Bonds. Series 2017 A Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Series 2017 A Bond, there shall be issued at the option of the Holder or the transferee another Series 2017 A Bond of the aggregate principal amount equal to the unpaid amount of the transferred Bond and of the same series, interest rate and maturity of said transferred Series 2017 A Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Series 2017 A Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Series 2017 A Bonds of the same series, maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Series 2017 A Bond is exercised, Bonds shall be delivered in accordance with the provisions of this Resolution. All Series 2017 A Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2017 A Bonds, the initial exchange of Series 2017 A Bonds and exchanges of Series 2017 A Bonds in the event of partial redemption of fully registered Series 2017 A Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Series 2017 A Bonds, the Registrar may impose a service charge. For every such transfer or exchange of bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Series 2017 A Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2017 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Series 2017 A Bond of like series, maturity and principal amount as the Series 2017 A Bond so mutilated, destroyed, stolen or lost, in exchange and upon surrender and cancellation of, such mutilated Bond, or in lieu of and substitution for the Series 2017 A Bond mutilated, destroyed, stolen or lost, and upon the Holder's furnishing the Issuer and the Registrar proof of his ownership thereof and that said Series 2017 A Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Series 2017 A Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Series 2017 A Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Series 2017 A Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Series 2017 A Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Series 2017 A Bonds be at any time found by any one, and such duplicate Series 2017 A Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Term Bonds. In the event Term Bonds are issued pursuant to this Resolution, the following provisions shall apply:

A. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Series 2017 A Bonds Redemption Account in accordance with Subsection 4.03A(3) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory Redemption Date of said Term Bonds, a sum equal to 1/12th of the amount required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to the Series 2017 A Bonds shall be set forth in the Supplemental Resolution relating thereto.

B. At its option, to be exercised on or before the 60th day next preceding any such mandatory Redemption Date, the Issuer may (a) deliver to the Registrar for cancellation such Term Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which prior to said date have been redeemed (otherwise than pursuant to this section) and canceled by the Registrar and not theretofore applied as a credit against any such mandatory redemption obligation. Each Term Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and Term Bonds delivered in excess of such mandatory redemption obligation shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

C. The Issuer shall on or before the 60th day next preceding each mandatory Redemption Date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

D. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the monies in the Series 2017 A Bonds Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

E. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Series 2017 A Bonds Sinking Fund, as will exhaust as nearly as practicable such Series 2017 A Bonds Redemption Account payment designated to be made in accordance with paragraph (A) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Series 2017 A Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Series 2017 A Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2017 A Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice.

All official notices of redemption shall be dated and shall state:

(1) The Redemption Date;

(2) The Redemption Price;

(3) If less than all outstanding Series 2017 A Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2017 A Bonds, as appropriate, to be redeemed;

(4) That on the Redemption Date the Redemption Price and interest accrued will become due and payable upon each such Series 2017 A Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;

(5) The place where such Series 2017 A Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Registrar; and

(6) Such other information, if any, as shall be required for DTC-eligible Series 2017 A Bonds.

If funds sufficient to redeem all Series 2017 A Bonds called for optional redemption have not been deposited with the Paying Agent at the time of providing any notice of optional redemption, such notice shall also state that such optional redemption is subject to the deposit of such monies with the Paying Agent on or before the Redemption Date (a "Conditional Notice of Optional Redemption"). If such monies are not so deposited, the redemption shall not occur, the Registrar shall notify all holders of Series 2017 A Bonds called for redemption of such fact, and all holders of any Series 2017 A Bonds (past and the present) agree they shall have no claim against the Issuer as a result of such Conditional Notice of Optional Redemption.

Official notice of redemption having been given as aforesaid, the Series 2017 A Bonds or portions of Series 2017 A Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2017 A Bonds or portions of Series 2017 A Bonds shall cease to bear interest. Upon surrender of such Series 2017 A Bonds for redemption in accordance with said notice, such Series 2017 A Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 2017 A Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unredeemed principal of such Series 2017 A Bond. All Series 2017 A Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Series 2017 A Bonds, and failure to mail or otherwise send such notice shall not affect the validity of proceedings for the redemption of any portion of Series 2017 A Bonds for which there was no such failure.

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar, the Paying Agent and any agent of the Issuer, the Registrar or the Paying Agent may treat the person in whose name any Series 2017 A Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal of, and interest on, such Bond and for all other purposes, whether or not such Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Resolution. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Authorization of Bonds. For the purposes of paying all or a portion of the outstanding principal of, and interest on, the Bonds to be Refunded, paying the premium for a Municipal Bond Insurance Policy to secure the payment of principal of and interest on the Series 2017 A Bonds, funding the Series 2017 A Bonds Reserve Account, or paying the premium for a Municipal Bond Debt Service Reserve Insurance Policy, in an amount equal to the Reserve Requirement, and paying costs of issuance in connection therewith, there shall be issued the Series 2017 A Bonds of the Issuer, in an aggregate principal amount of not more than $3,500,000. The Series 2017 A Bonds shall be designated "Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified)" and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any year of maturity, not exceeding the aggregate principal amount of Series 2017 A Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 2017 A Bonds shall be numbered from AR-1 consecutively upward. The Series 2017 A Bonds shall be dated, shall be in such aggregate principal amount, shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates, shall mature on such dates and in such amounts, not longer than forty (40) years, shall be subject to such mandatory and optional redemption provisions, and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Bonds. A. The Series 2017 A Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2017 A Bonds, respectively, of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in paragraph E below, all of the Series 2017 A Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided, that if DTC shall request that the Series 2017 A Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2017 A Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the Issuer or the Registrar either a Series 2017 A Bond, or any other evidence of ownership of the Series 2017 A Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2017 A Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in paragraph E below.

B. Prior to authorizing the publication of an Official Statement for the Series 2017 A Bonds, the Issuer shall execute or signify its approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter").

C. So long as the Series 2017 A Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2017 A Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in New York Clearing House or equivalent next day funds on the dates provided for such payments to be made to any Bondholder under this Resolution. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Issuer and the Registrar with respect to the principal or Redemption Price of or interest on the Series 2017 A Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2017 A Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2017 A Bonds so redeemed, but DTC may return such Series 2017 A Bonds and make an appropriate notation on the Series 2017 A Bonds certificate as to the amount of such partial redemption; provided, that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2017 A Bonds of such maturity which have been redeemed.

D. The Issuer, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2017 A Bonds registered in its name or the name of its nominee for the

purposes of payment of the principal or Redemption Price of or interest on the Series 2017 A Bonds, selecting the Series 2017 A Bonds, or portions thereof, to be redeemed, giving any notice permitted or required to be given to Bondholders under this Resolution, registering the transfer of Series 2017 A Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Issuer nor the Registrar shall be affected by any notice to the contrary. Neither the Issuer nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2017 A Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2017 A Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2017 A Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Resolution, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2017 A Bonds, or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2017 A Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2017 A Bonds; or (ii) the Issuer determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2017 A Bonds. In either of such events (unless in the case described in clause (ii) above, the Issuer appoints a successor securities depository), the Series 2017 A Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Issuer or the Registrar for the accuracy of such designation. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2017 A Bonds.

Section 3.12. Delivery of Bonds. The Issuer shall execute and deliver the Series 2017 A Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2017 A Bonds to the Original Purchaser upon receipt of the documents set forth below:

(1) A list of the names in which the Series 2017 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2017 A Bonds to the Original Purchaser;

(3) Copies of this Resolution and the Supplemental Resolution certified by the Secretary;

(4) The unqualified approving opinion upon the Series 2017 A Bonds by Bond Counsel; and

(5) A copy of such other documents, certifications and verifications as the Original Purchaser may reasonably require.

Section 3.13. Form of Bonds. The definitive Series 2017 A Bonds shall be in substantially the form set forth in EXHIBIT A – FORM OF SERIES 2017 A BONDS attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2017 A Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2017 A Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Bonds. Upon the issuance and delivery of the Series 2017 A Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

(1). All interest accrued on the Series 2017 A Bonds from the date thereof, if any, to the date of delivery thereof shall be deposited in the Series 2017 A Bonds Sinking Fund and applied to payment of interest on the Series 2017 A Bonds at the first interest payment date.

(2). An amount of the proceeds of the Series 2017 A Bonds equal to the Series 2017 A Bonds Reserve Requirement shall be remitted to the Bond Commission for deposit in the Series 2017 A Bonds Reserve Account, provided that, to the extent the Series 2017 A Bonds Reserve Requirement is satisfied in whole or in part from a municipal bond debt service reserve insurance policy, a letter of credit, a surety bond or other credit facility, proceeds of the Series 2017 A Bonds shall be used to purchase said municipal bond debt service reserve insurance policy, letter of credit, surety bond or other credit facility, proceeds of the Series 2017 A Bonds shall be deposited in the Series 2017 A Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2017 A Bonds Reserve Requirement.

(3). An amount of the proceeds of the Series 2017 A Bonds which shall be sufficient to pay the outstanding principal of, and interest on, the Bonds to be Refunded, shall be applied thereto.

(4). An amount of Series 2017 A Bond proceeds which, together with other monies or securities deposited therein, shall be equal to the Costs of Issuance of the Series 2017 A Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2017 A Bonds at the written direction of the Issuer. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Resolution, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to, such purpose within 120 days following the Closing Date for the Series 2017 A Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 2017 A Bonds Sinking Fund established in Section 4.02 hereof and applied to the next ensuing payment of interest on the Series 2017 A Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2017 A Bonds from which such proceeds are derived.

ARTICLE IV

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. Establishment of Funds and Accounts with Depository Bank. Pursuant to this Article IV, the following special funds or accounts are hereby created with (or continued if previously established), and shall be held by, the Depository Bank, segregated and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

(1) Revenue Fund (established by the Prior Resolutions and hereby continued);

(2) Renewal and Replacement Fund (established by the Prior Resolutions and hereby continued);

(3) Series 2017 A Bonds Costs of Issuance Fund; and

(4) Rebate Fund.

Section 4.02. Establishment of Funds and Accounts with Bond Commission. Pursuant to this Article IV, the following special funds or accounts are hereby created with and shall be held by, the Bond Commission, separate and apart from all other funds or accounts of the Bond Commission and the Issuer and from each other:

(1) Series 2002 A Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);

(2) Series 2002 A Bonds Reserve Account (established by the Prior Resolutions and hereby continued);

(3) Series 2005 A Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);

(4) Series 2005 A Bonds Reserve Account (established by the Prior Resolutions and hereby continued);

(5) Series 2017 A Bonds Sinking Fund; and

(6) Series 2017 A Bonds Reserve Account.

Section 4.03. System Revenues and Application Thereof. So long as any of the Series 2017 A Bonds shall be Outstanding and unpaid, the Issuer covenants as follows:

A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

(1) The Issuer shall first each month pay from the Revenue Fund the Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) the amounts required by the Prior Resolutions to pay interest on the Prior Bonds; and (ii) commencing 6 months prior to the first interest payment date on the Series 2017 A Bonds, for deposit in the Series 2017 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2017 A Bonds on the next ensuing semiannual interest payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2017 A Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; and, provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2017 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2017 A Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2017 A Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2017 A Bonds Sinking Fund.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) the amounts required by the Prior Resolutions to pay the principal of the Prior Bonds; and (ii) commencing 12 months prior to the first principal payment date or mandatory Redemption Date of the Series 2017 A Bonds, for deposit in the Series 2017 A Bonds Sinking Fund, and in the Series 2017 A Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2017 A Bonds on the next ensuing principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2017 A Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is less than or greater than 12 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and, provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2017 A Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the respective Reserve Accounts, the amounts required under the Prior Resolutions to be deposited in the respective reserve requirements for the Prior Bonds; and (ii) for deposit in the Series 2017 A Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2017 A Bonds Reserve Account below the Series 2017 A Bonds Reserve Requirement or any withdrawal from the Series 2017 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2017 A Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2017 A Bonds Reserve Account is less than the Series 2017 A Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2017 A Bonds Reserve Account for deposit into the Series 2017 A Bonds Sinking Fund, which withdrawal results in the value of the monies in the Series 2017 A Bonds Reserve Account to be below the Series 2017 A

Bonds Reserve Requirement. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2017 A Bonds Reserve Account to an amount equal to the Series 2017 A Bonds Reserve Requirement to the full extent that such Net Revenues are available; provided, that no payments shall be required to be made into the Series 2017 A Bonds Reserve Account whenever and as long as the amount deposited therein shall be equal to the Series 2017 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, a sum equal to 2.5% of the Gross Revenues each month (as previously set forth in the Prior Resolutions and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article V hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Monies in the Series 2017 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2017 A Bonds as the same shall become due, whether by maturity or redemption prior to maturity. Amounts in the Series 2017 A Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2017 A Bonds when due, when amounts in the Series 2017 A Bonds Sinking Fund are insufficient therefor and for no other purpose.

The Issuer shall not be required to make any further payments into the Series 2017 A Bonds Sinking Fund or the Series 2017 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of Series 2017 A Bonds issued pursuant to this Resolution then Outstanding, plus the amount of interest due or thereafter to become due on the Series 2017 A Bonds then Outstanding.

As and when Additional Parity Bonds ranking on a parity with the Series 2017 A Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such Additional Parity Bonds and accomplish retirement thereof at or before maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirements therefor.

The payments into the Series 2017 A Bonds Sinking Fund shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments shall be made on the next succeeding business day, and all such payments shall be remitted to the Bond Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Resolution.

The Issuer shall restore any withdrawals from the Series 2017 A Bonds Reserve Account which have the effect of reducing the assets therein below the Series 2017 A Bonds Reserve Requirement, from the first Net Revenues available after all required payments have been made in full in the order set forth above.

Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2017 A Bonds in accordance with the respective principal amounts then Outstanding.

The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2017 A Bonds Sinking Fund and Series 2017 A Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Bond Commission from the Revenue Fund by the Issuer at the times provided herein.

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

C. The Issuer shall remit from the Revenue Fund to the Bond Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Bond Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay any charges and fees then due.

D. The monies in excess of the sum insured by the maximum amounts insured by FDIC in all funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

E. If on any monthly payment date the Net Revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 4.03, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

F. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

G. The Gross Revenues of the System shall only be used for purposes of the System.

ARTICLE V

INVESTMENTS; NON-ARBITRAGE; REBATES OF EXCESS INVESTMENT EARNINGS

Section 5.01. Investments. The Issuer shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any monies held as a part of the funds and accounts created by this Resolution in Qualified Investments to the fullest extent possible under applicable laws, this Resolution, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or

account. The Issuer shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Issuer may make any and all investments permitted by this section through the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section:

(A) The Issuer shall, or shall cause the Bond Commission to annually transfer from the Series 2017 A Bonds Reserve Account to the Series 2017 A Bonds Sinking Fund, any earnings on the monies deposited therein and any other funds in excess of the requirement therefor; provided, however, that there shall at all times remain on deposit in the Series 2017 A Bonds Reserve Account an amount at least equal to the Series 2017 A Bonds Reserve Requirement.

(B) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2017 A Bonds Reserve Account, whereupon such account shall be valued immediately after such withdrawal.

(C) All amounts representing accrued and capitalized interest shall be held by the Bond Commission, pledged solely to the payment of interest on the Series 2017 A Bonds and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(D) Notwithstanding the foregoing, all monies deposited in the Series 2017 A Bonds Sinking Fund, including any reserve account therein, may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of 1931, as amended.

Section 5.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2017 A Bonds in such manner and to such extent as may be necessary, so that the Series 2017 A Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2017 A Bonds) so that the interest on the Series 2017 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.03. Tax Certificate and Rebate. A. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2017 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2017 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

B. The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer shall

deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect, with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. The Issuer, at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and the required amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Series 2017 A Bonds from gross income for federal income tax purposes.

Section 5.04. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Resolution shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2017 A Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Holders of the Series 2017 A Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2017 A Bonds, or the interest thereon, are Outstanding and unpaid.

Section 6.02. Bonds not to be Indebtedness of the Issuer. The Series 2017 A Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any of the provisions or limitations of the constitution but shall be payable solely from the Net Revenues of the System, the monies in the Series 2017 A Bonds Sinking Fund and all accounts therein, specifically including, but not limited to, the Series 2017 A Bonds Reserve Account, and the unexpended proceeds of the Series 2017 A Bonds, all as herein provided. No Holder or Holders of the Series 2017 A Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2017 A Bonds, or the interest thereon.

Section 6.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of all of the Series 2017 A Bonds issued hereunder shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues derived from the System, in an amount sufficient to pay the interest on and principal of the Prior Bonds and the Series 2017 A Bonds herein authorized, and to make the payments into the Series 2017 A Bonds Sinking Fund, the Series 2017 A Bonds Reserve Account, and all other payments provided for in this Resolution and the Prior Resolutions, are hereby irrevocably pledged in the manner provided in this Resolution to the payment of the interest on and principal of the Series 2017 A Bonds herein authorized as the same become due and for the other purposes provided in this Resolution.

Section 6.04. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Issuer, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created or continued hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates and charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any fiscal year for payment of principal of and interest on the Series 2017 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2017 A Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds, provided, however, that in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2017 A Bonds Reserve Account, the respective reserve accounts for the Prior Bonds and any hereinafter issued Additional Parity Bonds, such balance each year need only equal at least 110% of the maximum amount required in any fiscal year for payment of principal of and interest on the Series 2017 A Bonds and all other obligations on a parity therewith, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. In any event, subject to any requirements of law, the Issuer shall not reduce the rates or charges for services effective as of the date of issuance of the Series 2017 A Bonds.

In the computation provided in the above paragraph, "revenues of the System" shall include increased Net Revenues estimated to be derived from any improvements under construction, and any change in rates approved by Order of the Public Service Commission, the time of appeal of which has expired, whether or not such approved rates are being charged and collected by the Issuer.

The Issuer shall require that each annual audit contain a statement of the auditor that the Issuer either is or is not in compliance with the rate covenant contained in this Section 6.04. In the event that any audit contains a statement that the Issuer is not in compliance with the rate covenant contained in this Section 6.04, the Issuer hereby covenants that it shall, within one hundred and twenty (120) days of receiving the audit report, file a petition with the Public Service Commission seeking approval of rates and charges sufficient to comply with the above-mentioned rate requirement.

Section 6.05. Operation and Maintenance. The Issuer will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the Revenues of said System in the manner provided in this Resolution.

The Issuer has or will obtain all permits required by state and federal laws for the operation of the System.

Section 6.06. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System except as provided in the Prior Resolutions. Additionally, so long as the Series 2017 A Bonds are Outstanding, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, or to defease the pledge created by this Resolution and the Prior Resolutions. The proceeds from such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Commission for deposit in the respective Sinking Funds, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $500,000, the Issuer may provide for the sale of such property. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $500,000 but not in excess of $1,000,000 the Issuer, by resolution duly adopted, shall determine that the property is no longer necessary, useful or profitable in the operation of the System and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property which is less than $500,000 may be deposited in the Revenue Fund or the Renewal and Replacement Fund, at the sole discretion of the Issuer. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $500,000 and not in excess of $1,000,000, shall be deposited by the Issuer into Sinking Funds for the Bonds or the Renewal and Replacement Fund, at the sole discretion of the Issuer. Such payment of such proceeds into the Sinking Funds for the Bonds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Resolution.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, shall be in excess of $1,000,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% of the par amount of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2017 A Bonds, except as provided in Section 6.08 herein. All obligations issued by the Issuer after the issuance of the Series 2017 A Bonds and payable from the revenues of the System, except such Additional Parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2017 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2017 A Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2017 A Bonds and the interest thereon, if any, in this Resolution, or upon the System or any part thereof.

Section 6.08. Additional Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable.

No such Additional Parity Bonds (as hereinafter defined) shall be issued except for the purposes of financing the costs of the design, acquisition, construction and/or equipping of extensions, additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds or Additional Parity Bonds, or to pay claims which may exist against the revenues or facilities of the System, hereinafter issued or all of such purposes.

So long as the Series 2017 A Bonds are Outstanding, no such Additional Parity Bonds shall be issued at any time, however, unless and until Issuer has procured a written statement by an Independent Certified Public Accountant reciting the conclusion that the Net Revenues actually derived from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such Additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 2 Fiscal Years immediately following the Fiscal Year in which such Additional Parity Bonds are issued, if any, shall not be less than 115% of the Maximum Annual Debt Service on the following:

(1) The Bonds then Outstanding;

(2) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in the Prior Resolutions and this Resolution then Outstanding; and

(3) The Additional Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues" as that term is used in the computation provided in the above paragraph, shall include increased Net Revenues estimated to be derived from the improvements to be financed by such Additional Parity Bonds, if any, and any change in rates and charges adopted by the Issuer and approved by the Public Service Commission of West Virginia, the period for appeal of which has expired prior to the date of delivery of such Additional Parity Bonds, whether or not such approved rates and charges are being charged and collected by the Issuer.

The term "Additional Parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the Net Revenues of the System on a parity with the Bonds. All covenants and other provisions of this Resolution (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System and their source of and security for payment from said Net Revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Resolution required for and on account of such Additional Parity Bonds, in addition to the payments required for the Bonds theretofore issued pursuant to this Resolution.

Additional Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to the lien on and source of and security for payment from such revenues, with the Bonds.

No Additional Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Resolution and the Prior Resolutions with respect to the Bonds then Outstanding, and any other payments provided for in this Resolution and the Prior Resolutions, shall have been made in full as required to the date of issuance of such Additional Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Resolution and the Prior Resolutions.

Provided, however, that if the audit by an Independent Certified Public Accountant for the Issuer for the Fiscal Year immediately preceding the proposed issuance of Additional Parity Bonds states that the Issuer was not in compliance with the rate covenant in Section 6.04 of this Resolution for the year being audited and the Issuer has, as required by Section 6.04, adopted a resolution implementing rates and charges sufficient to comply with Section 6.04, such statement in the most recent audit shall not be considered a violation of the covenants, agreements and terms of this Resolution, so as to prevent the Issuer from issuing Additional Parity Bonds under this Section 6.08.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Series 2017 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance and bonds and workers' compensation coverage with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged and destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

C. WORKERS' COMPENSATION COVERAGE for all employees of or for the System eligible therefore.

D. FLOOD INSURANCE, if the facilities of the System are or will be located in designated special flood or mudslide-prone areas and to the extent available at reasonable cost to the Issuer.

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

F. FIDELITY BONDS will be provided as to every officer, member and employee of the Issuer or the Governing Body having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

Section 6.10. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and, in the event the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail himself or themselves of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.11. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system serving such premises, if so owned by the Issuer or pursuant to a termination agreement with the utility providing such water service to the premises, to all users of the services of the System delinquent in payment of charges for the services of either the System and will not restore such services of the System until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 6.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.13. Books and Records. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Series 2017 A Bond shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the Issuer relating thereto.

The accounting system for the Issuer shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping records as prescribed by the Issuer. The Issuer shall prescribe and institute the manner by which subsidiary records of the accounting

system which may be installed remote from the direct supervision of the Issuer shall be reported to such agent of the Issuer as it shall direct.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by an Independent Certified Public Accountant in compliance with OMB Circular 128 or any successor thereto and the Single Audit Act.

Section 6.14. Operating Budget. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, or at such earlier date, prepare and adopt by resolution a detailed budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year.

Section 6.15. [RESERVED].

Section 6.16. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2017 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2017 A Bonds, pro rata, and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds and hereinafter issued Additional Parity Bonds.

Section 6.17. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2017 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2017 A Bonds during the term thereof is, under the terms of the Series 2017 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2017 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2017 A Bonds during the term thereof is, under the terms of the Series 2017 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2017 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2017 A Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2017 A Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2017 A Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2017 A Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2017 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 6.18. Designation of Series 2017 A Bonds as Qualified Tax-Exempt Obligations. The Issuer hereby designates the Series 2017 A Bonds as "Qualified Tax-Exempt Obligations" for purposes of paragraph (3) of Section 265(b) of the Code and affirms that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income taxes (excluding, however, obligations described in Section 265(b)(3)(C)(ii) of the Code), have been or shall be issued by the Issuer or any entities subordinate to it, during the calendar year 2017, all as determined in accordance with the Code. For purposes of this paragraph and for the purposes of applying such Section 265(b)(3) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a subordinate entity shall, for purposes of applying this paragraph and Section 265(b)(3) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code and all entities benefitting thereby shall be treated as one issuer.

Section 6.19. Continuing Disclosures. In order to provide the written undertaking for the benefit of the owners of the Series 2017 A Bonds required by the Securities and Exchange Commission Rule 15c2-12, the Issuer shall enter into a Continuing Disclosure Agreement or Continuing Disclosure Certificate in such form as may be approved by the Supplemental Resolution, and the Chairman is authorized and directed to execute and deliver such Continuing Disclosure Agreement or Continuing Disclosure Certificate on behalf of the Issuer, with such changes as the Chairman shall approve, such approval to be conclusively evidenced by the execution of such Agreement or Certificate by the Chairman.

Section 6.20. Preliminary Official Statement; Official Statement. The distribution of the Preliminary Official Statement with respect to the Series 2017 A Bonds shall be and the same is hereby approved. The form of the Preliminary Official Statement shall be in such form as may be approved by the Supplemental Resolution. The Chairman is hereby authorized and directed to execute and deliver a final official statement on behalf of the Issuer, which shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be required to reflect the terms of the sale of the Series 2017 A Bonds and as the Chairman may approve (the "Official Statement"). The execution of the Official Statement by the Chairman shall be conclusive evidence of such approval. Copies of the Official Statement are hereby authorized to be prepared and furnished to the Original Purchaser for distribution.

Section 6.21. Bond Insurance Policy; Debt Service Reserve Insurance Policy. The Issuer may purchase a bond insurance policy for the Series 2017 A Bonds and/or a municipal bond debt service reserve insurance policy to fund the Series 2017 A Bonds Reserve Account. In the event a bond insurance policy and/or debt service reserve insurance policy is obtained, additional covenants and provisions of the Issuer may be required by the bond insurer as a condition to insuring the Series 2017 A Bonds and/or providing the debt service reserve insurance policy. These additional covenants and provisions shall be set forth in a Supplemental Resolution, shall apply to the Series 2017 A Bonds, shall

be supplemental to and amendatory of this Resolution, and shall be controlling in the event any other provisions of this Resolution may be in conflict therewith.

Section 6.22. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Division of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Division of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2017 A Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on the Series 2017 A Bonds;

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Resolution or any Supplemental Resolution or in the Series 2017 A Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Bondholder or Beneficial Owner thereof;

(C) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or

(D) If default occurs with respect to the Prior Bonds or the Prior Resolutions.

The Issuer must cure any covenant default within 30 days after notice of the default, and failure to pay principal of or interest on the Bonds shall be an immediate event of default.

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

(A) Bring suit for any unpaid principal or interest then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Bondholders, including the right to require the Issuer to perform its duties under the Act and this Resolution;

(C) Bring suit upon the Series 2017 A Bonds;

(D) By action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Bondholders; and

(E) By action or bill in equity enjoin any acts in violation of this Resolution or the rights of the Bondholders.

No remedy by the terms of this Resolution conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute. All rights and remedies of the Holders of the Series 2017 A Bonds shall be on a parity with one another and also on parity with those of the Holders of the Prior Bonds and any hereinafter issued Additional Parity Bonds.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder by the Bondholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other Revenues in conformity with the provisions of this Resolution and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of the System and shall hold, operate, maintain, manage and control such facilities, and each and every part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might do.

Whenever all that is due upon the Series 2017 A Bonds issued pursuant to this Resolution and interest thereon and under any covenants of this Resolution for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Revenues of the System shall have been paid and made good, and all defaults under the provisions of this Resolution shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any

Bondholder shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby and a successor receiver appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and the Holders of the Series 2017 A Bonds issued pursuant to this Resolution. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System, for the sole purpose of the protection of both the Issuer and the Bondholders, and the curing and making good of any default under the provisions of this Resolution, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

Section 7.04. Restoration of Issuer and Bondholder. In case any Bondholder shall have proceeded to enforce any right under this Resolution by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Bondholder shall be restored to their former positions and rights hereunder, and all rights and remedies of such Bondholder shall continue as if no such proceedings had been taken.

ARTICLE VIII

REGISTRAR AND PAYING AGENT

Section 8.01. Appointment of Registrar. The Registrar for the Series 2017 A Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Series 2017 A Bonds shall be taken as statements of the Issuer, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2017 A Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2017 A Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Resolution and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Registrar May Act. Except as otherwise provided by Section 10.02, the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a

certificate of an Authorized Officer of the Issuer, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Bonds, the first exchange of Bonds and the exchange of Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2017 A Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Series 2017 A Bonds or this Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Series 2017 A Bonds Outstanding.

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Resolution by giving not less than 60 days' written notice to the Issuer, specifying the date when such resignation shall take effect, within 20 days after the giving of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or bondholders, in which event such resignation shall take effect immediately.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer or by the Holders of a majority in principal amount of the Series 2017 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Series 2017 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The Issuer shall notice of any such appointment within 20 days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Resolution.

Section 8.09. Transfer of Rights and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any monies, books and records held by it to its successor.

Section 8.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8.08.

Section 8.11. Adoption of Authentication. In case any of the Series 2017 A Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Series 2017 A Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent. So long as required by the Act, the Bond Commission shall serve as the Paying Agent. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Resolution. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Bonds shall be and remain DTC-eligible.

Each Paying Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such Paying Agent in connection with such services solely from monies available therefor.

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Resolution. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within 30 days thereafter, appoint a bank, trust company or national banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

The Paying Agent shall enjoy the same protective provisions in the performance of its duties hereunder as are specified in this Article VIII with respect to the Registrar, insofar as such provisions may be applicable.

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 8.08 hereof with respect to the appointment of a successor Registrar.

All monies received by the Paying Agent shall, until used or applied as provided in this Resolution, be held in trust for the purposes for which they were received.

ARTICLE IX

DEFEASANCE; DISCHARGE OF PLEDGE OF RESOLUTION

Section 9.01. Defeasance; Discharge of Pledge of Resolution. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Series 2017 A Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then this Resolution and the pledges of the Net Revenues and other monies and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Series 2017 A Bonds made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied, except as may be necessary to assure the exclusion of interest on the Series 2017 A Bonds from gross income for federal income tax purposes.

The Series 2017 A Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on the Series 2017 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2017 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on the Series 2017 A Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of the Series 2017 A Bonds prior to the maturity thereof, on and prior to said Redemption Date. Neither securities nor monies deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Series 2017 A Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on the Series 2017 A Bonds on and prior to such maturity or Redemption Dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations, as such term is limited by the provisions in Section 1.01 hereof or such additional securities as shall be set forth in the Supplemental Resolution.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment of Resolution. This Resolution and any Supplemental Resolution may be amended or modified without the consent of any Registered Owner or other person, solely for the purpose of maintaining the tax-exempt status of the Series 2017 A Bonds. Otherwise, no materially adverse amendment or modification to this Resolution, or any Supplemental Resolution, may be made without the written consent of the Registered Owners of at least 51% in aggregate principal amount of the Series 2017 A Bonds then Outstanding and affected thereby, which must be filed with the Secretary of the Issuer before any such modification or amendment may be made. Notwithstanding the foregoing provision, no such modification or amendment shall extend the maturity of or reduce the

interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Series 2017 A Bond without the express written consent of the Registered Owner of such Bond, nor reduce the percentage of Series 2017 A Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Resolution may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Resolution if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

A. The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the Issuer or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C. The amount of fully registered Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the Issuer or the Registrar in accordance therewith.

Section 10.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Resolution shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Bondholder, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Resolution shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Bonds. All Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Resolution and no Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Resolution to the contrary notwithstanding, any monies held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for 1 year after the date on which such Bonds

have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such monies remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such monies then unclaimed will be returned to the Issuer.

Section 10.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the Issuer, the Registrar, the Paying Agent, the Depository Bank, the Original Purchaser shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below.

ISSUER

Bradley Public Service District
P.O. Box 290
Bradley, WV 25919
Attention: Chairman

REGISTRAR

[Name(s) and address(es) to be set forth in Supplemental Resolution]

PAYING AGENT

West Virginia Municipal Bond Commission
900 Pennsylvania Avenue, Suite 1117
Charleston, West Virginia 25301
Attention: Executive Director

DEPOSITORY BANK

[Name and address to be set forth in Supplemental Resolution]

ORIGINAL PURCHASER

[Name and address to be set forth in Supplemental Resolution]

Any party listed above may change such address listed for it at any time upon written notice of change sent by United States mail, postage prepaid, to the other parties.

Section 10.07. No Personal Liability. No member of the Issuer or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any Bond, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Resolution.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Resolution and of all Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2017 A Bonds and the Original Purchaser, any right, remedy or claim under or by reason of this Resolution. All the covenants, stipulations, promises and agreements contained in this Resolution by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2017 A Bonds and the Original Purchaser.

Section 10.10. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Resolution.

Section 10.11. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 10.12. Conflicting Provisions Repealed. All orders, resolutions or parts thereof in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed; provided that, in the event of any conflict between this Resolution and the resolutions authorizing the Prior Bonds, the resolutions authorizing the Prior Bonds shall control, unless less restrictive, so long as the Prior Bonds are Outstanding.

Section 10.13. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

[Remainder of Page Intentionally Blank]

Section 10.14. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 17th day of May, 2017.

BRADLEY PUBLIC SERVICE DISTRICT

Daymon Sweeney
Chairman

CERTIFICATION

Certified a true, correct and complete copy of a Resolution duly adopted by the Public Service Board of Bradley Public Service District on the 17th day of May, 2017.

[SEAL]

Dorothy J Redden

Secretary

EXHIBIT A – FORM OF SERIES 2017 A BONDS

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-1 $530,000.00

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BRADLEY PUBLIC SERVICE DISTRICT
SEWER REFUNDING REVENUE BONDS, SERIES 2017 A (BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.400%	March 1, 20121	June 6, 2017	104579 AA5

REGISTERED OWNER: CEDE & Co.

PRINCIPAL AMOUNT: FIVE HUNDRED THIRTY THOUSAND DOLLARS ($530,000)

KNOW ALL MEN BY THESE PRESENTS: That BRADLEY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Raleigh County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on March 1 and September 1, in each year, beginning September 1, 2017 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each February 15 and August 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on

the registration books of the Issuer maintained by United Bank, Inc., Charleston, West Virginia, as registrar (the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $2,640,000 designated "Bradley Public Service District Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified)" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 8, 2017, the proceeds of which are to be used, together with other funds of the Issuer, (i) to pay the outstanding principal amount of, and accrued interest on, the Series 1978 Bonds, the Series 1995 A Bonds, the Series 1995 B Bonds and the Series 1995 C Bonds; (ii) to fund the Series 2017 A Bonds Reserve Account (as hereinafter defined) in an amount sufficient to satisfy the Reserve Requirement for the Bonds; and (iii) to pay certain costs of issuance of the Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on May 17, 2017, and supplemented by a supplemental parameters resolution duly adopted by the Issuer on May 17, 2017 and a Certificate of Determinations executed by the Chairman on May 15, 2017 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. The Resolution provides for the issuance of Additional Parity Bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued Additional Parity Bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Issuer.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

(I) SEWER REVENUE BONDS, SERIES 2002 A (STATE REVOLVING FUND), DATED JUNE 25, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $293,000 (THE "SERIES 2002 A BONDS"); AND

(II) SEWER REVENUE BONDS, SERIES 2005 A (STATE REVOLVING FUND), DATED JANUARY 14, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $6,192,677 (THE "SERIES 2005 A BONDS").

The Series 2002 A Bonds and the Series 2005 A Bonds are hereinafter collectively referred to as the "Prior Bonds."

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Resolution and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds are subject to optional redemption prior to maturity as follows:

(B) Mandatory Sinking Fund Redemption. The Bonds maturing on _____, are subject to mandatory sinking fund

redemption prior to maturing on _____ of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

_____Bonds Maturing_____

Year (___) Principal Amount

_____Bonds Maturing_____

Year (___) Principal Amount

_____Bonds Maturing_____

Year (___) Principal Amount

_____
* Final Maturity

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. A copy of such notice of redemption shall also be mailed to the Paying Agent. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds and any hereinafter issued Additional Parity Bonds, and from monies in the reserve account created under the Resolution for the Bonds (the "Series 2017 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any of the provisions or limitations of the constitution, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the

monies in the Series 2017 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any fiscal year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or subordinate to the Bonds, including the Prior Bonds and hereinafter issued Additional Parity Bonds, provided, however, that in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2017 A Bonds Reserve Account, the respective reserve accounts for the Prior Bonds and any hereinafter issued Additional Parity Bonds, such balance each year need only equal at least 110% of the maximum amount required in any fiscal year for payment of principal of and interest on the Series 2017 A Bonds and all other obligations on a parity therewith, including the Prior Bonds and any hereinafter issued Additional Parity Bonds.

All monies received from the sale of this Bond except for accrued interest thereon shall be applied solely to pay the Bonds to be Refunded, fund a reserve account for the Series 2017 A Bonds and pay costs of issuance hereof, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Resolution.

The Issuer has designated the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Resolution and the statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, BRADLEY PUBLIC SERVICE DISTRICT (WEST VIRGINIA) has caused this Bond to be signed by its Chairman, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: June 8, 2017.

UNITED BANK, INC.
as Registrar

By: _____
Its Authorized Officer

(Form of)

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____ the within Bond and does hereby irrevocably constitute and appoint

_____ to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

SUPPLEMENTAL PARAMETERS RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING PARAMETERS AS TO DATES, AMOUNTS, MATURITIES, INTEREST RATES, REDEMPTION PROVISIONS, PURCHASE PRICE AND OTHER DETAILS AS TO THE SEWER REFUNDING REVENUE BONDS, SERIES 2017 A (BANK QUALIFIED) OF BRADLEY PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT, A REGISTRAR AGREEMENT, A PRELIMINARY OFFICIAL STATEMENT, AN OFFICIAL STATEMENT, A TAX COMPLIANCE POLICY, A CONTINUING DISCLOSURE POLICY AND OTHER INSTRUMENTS RELATING TO THE BONDS; APPOINTING A REGISTRAR, PAYING AGENT, AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS AND THE REFUNDING.

WHEREAS, Bradley Public Service District (the "Issuer"), in the County of Raleigh, State of West Virginia, is a public service district and public corporation of said State, the governing body of which is this public service board (the "Governing Body");

WHEREAS, the Governing Body duly adopted on May 17, 2017, a resolution (the "Resolution") entitled:

A RESOLUTION AUTHORIZING THE REFUNDING OF THE DISTRICT'S SEWER REVENUE BONDS, SERIES 1978, SEWER REVENUE BONDS, SERIES 1995 A, SEWER REVENUE BONDS, SERIES 1995 B AND SEWER REVENUE BONDS, SERIES 1995 C AND THE FINANCING OF THE COSTS THEREOF, NOT OTHERWISE PROVIDED, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS, THROUGH THE ISSUANCE OF SEWER REFUNDING REVENUE BONDS, SERIES 2017 A (BANK QUALIFIED), OF THE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $3,500,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING A BOND PURCHASE AGREEMENT, A PRELIMINARY OFFICIAL STATEMENT, AN OFFICIAL STATEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Resolution when used herein;

WHEREAS, the Resolution provided for the refunding of the Issuer's Sewer Revenue Bonds, Series 1978, dated December 17, 1979, issued in the original aggregate principal amount of $1,522,000 (the "Series 1978 Bonds"), and presently outstanding in the approximate principal amount of $197,933.68, Sewer Revenue Bonds, Series 1995 A, dated March 16, 1995, issued in the original aggregate principal amount of $2,000,000 (the "Series 1995 A Bonds"), and presently outstanding in the approximate principal amount of $1,207,844.86, Sewer Revenue Bonds, Series 1995 B, dated March 16, 1995, issued in the original aggregate principal amount of $1,676,000 (the "Series 1995 B Bonds"), and presently outstanding in the approximate principal amount of $1,032,785.73, and Sewer Revenue Bonds, Series 1995 C, dated March 16, 1995, issued in the original aggregate principal amount of $250,000 (the "Series 1995 C Bonds" and, collectively with the Series 1978 Bonds, the Series 1995 A Bonds and the Series 1995 B Bonds, the "Bonds to be Refunded"), and presently outstanding in the approximate principal amount of $156,537.08, and the issuance by the Issuer of its Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified), in the aggregate principal amount of not more than $3,500,000 (the "Series 2017 A Bonds"), for the purposes of (i) paying a portion of the costs of refunding the Bonds to be Refunded; (ii) purchasing, if determined to be economically advantageous, a municipal bond insurance policy to secure the payment of principal of and interest on the Series 2017 A Bonds; (iii) funding the reserve account for the Series 2017 A Bonds, or purchasing a municipal bond debt service reserve insurance policy for the reserve account for the Series 2017 A Bonds, in an amount equal to the Reserve Requirement for the Series 2017 A Bonds; and (iv) paying costs of issuance thereof, all in accordance with Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act");

WHEREAS, the Resolution further provided that the exact dates, amounts, maturities, interest rates, redemption provisions, purchase price and other terms of the Series 2017 A Bonds should be established by Supplemental Parameters Resolution, that a Registrar, Paying Agent and Depository Bank be designated, that a Bond Purchase Agreement, a Continuing Disclosure Agreement, a Registrar Agreement, a Preliminary Official Statement and an Official Statement be approved and that other matters pertaining to the Series 2017 A Bonds be provided for by a supplemental parameters resolution of the Governing Body, that additional covenants and provisions relating to the Series 2017 A Bonds be provided therein, and as may be required by any Bond Insurer as a condition to providing a municipal bond insurance policy and/or a municipal bond debt service reserve insurance policy for the Series 2017 A Bonds and that other matters pertaining to the Series 2017 A Bonds be provided for by a supplemental parameters resolution of this Board;

WHEREAS, the Governing Body has determined that purchasing a municipal bond insurance policy and a municipal bond debt service reserve insurance policy would not be economically advantageous;

WHEREAS, the Series 2017 A Bonds are proposed to be purchased pursuant to a Bond Purchase Agreement between Crews & Associates, Inc. (the "Original Purchaser") and the Issuer to be dated the date of execution thereof and in such form as may be approved by the Chairman the execution thereof by the Chairman to be conclusive evidence of such approval (the "Bond Purchase Agreement");

WHEREAS, the Governing Body desires to adopt a tax compliance policy regarding the Series 2017 A Bonds (the "Tax Compliance Policy") and a policy and procedures for continuing disclosure regarding the Series 2017 A Bonds (the "Continuing Disclosure Policies and Procedures Policy");

WHEREAS, the Governing Body has determined that the Chairman shall be empowered and authorized to execute the Bond Purchase Agreement, within the parameters set forth herein, at such time as such person shall determine most advantageous to the District; and

WHEREAS, the Governing Body deems it essential and desirable that this Resolution be adopted, that the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Registrar Agreement hereinafter provided for be entered into by the Issuer, that the Preliminary Official Statement and Official Statement relating to the Series 2017 A Bonds, hereinafter described, be approved, that the Issuer's Chairman be authorized to enter into the Bond Purchase Agreement within the parameters hereby approved by the Governing Body, and that other matters relating to the Series 2017 A Bonds be herein provided for all in accordance with the Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF BRADLEY PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Resolution and the Act, this Supplemental Parameters Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2017 A Bonds. The Series 2017 A Bonds shall be issued in the aggregate principal amount not to exceed $3,500,000, shall bear interest at a rate not to exceed 7.00%, payable semiannually each year, shall be dated such date, upon original issuance, shall mature in such principal amounts on such dates (with final maturity not to exceed April 1, 2035), shall be subject to such redemption provisions, all as shall subsequently be approved by the Chairman; and shall be substantially in the form set forth in the Resolution, provided however, that the specific terms of the Series 2017 A Bonds shall be as determined by the Chairman at the time of the execution of the Bond Purchase Agreement and as approved by the Chairman in the Certificate of Determinations attached hereto as EXHIBIT A. All other provisions relating to the Series 2017 A Bonds shall be as provided in the Resolution.

Section 2. The Bond Purchase Agreement by and between the Original Purchaser and the Issuer, and the execution and delivery (in multiple counterparts) by the Chairman thereof shall be and the same are hereby authorized, approved, and directed. The Chairman is hereby empowered and authorized to execute the Bond Purchase Agreement on behalf of the District at such time as the Chairman shall determine to be most advantageous. The Chairman shall execute and deliver the Bond Purchase Agreement in such form as may be approved by the Chairman. The execution of the Bond Purchase Agreement by the Chairman shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Bond Purchase Agreement relating to the issuance and sale of the Series 2017 A Bonds, including the payment of all necessary fees and expenses in connection therewith.

Section 3. The Issuer does hereby approve, either prior to or simultaneously with the closing on the Series 2017 A Bonds, the transfer of all of the monies from the respective reserve accounts for the Bonds to be Refunded to the Holder of the Bonds to be Refunded to provide sufficient funds, in addition to the proceeds of the Series 2017 A Bonds, and other funds of the Issuer, to pay in full the outstanding principal of, and interest on, the Bonds to be Refunded, or to such other account as may be determined by the Chairman in the Certificate of Determinations.

Section 4. The Continuing Disclosure Agreement or Continuing Disclosure Certificate from the Issuer, to be dated as of the date of delivery of the Series 2017 A Bonds (the "Continuing Disclosure Agreement"), substantially in the form included in the Preliminary Official Statement, and the execution and delivery (in multiple counterparts) by the Chairman thereof shall be and the same are hereby authorized, approved and directed. The Chairman shall execute and deliver the Continuing

Disclosure Agreement with such changes, insertions and omissions as may be approved by the Chairman. The execution of the Continuing Disclosure Agreement by the Chairman shall be conclusive evidence of any approval required by this Section.

Section 5. The Preliminary Official Statement to be substantially in the form attached hereto as EXHIBIT B (with such changes, insertions and omissions as may be necessary or advisable in the opinion of, and approved by, the Chairman), and the distribution of counterparts or copies thereof by the Original Purchaser are hereby approved. The Chairman is hereby authorized and directed to execute and deliver a final official statement on behalf of the Issuer, which shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be required to reflect the terms of the sale of the Series 2017 A Bonds and as the Chairman may approve (the "Official Statement"). Copies of the Official Statement are hereby authorized to be prepared and furnished to the Original Purchaser for distribution. The execution of the Official Statement by the Chairman shall be conclusive evidence of any approval required by this Section. The Chairman is hereby authorized and directed to execute and deliver a certificate of the Issuer relating to compliance with SEC Rule 15c2-12.

Section 6. The Registrar Agreement by and between the Issuer and the Registrar designated herein, to be dated as of the date of delivery of the Series 2017 A Bonds, shall be and the same is hereby approved. The Chairman shall execute and deliver the Registrar Agreement with such changes, insertions and omissions as may be approved by the Chairman. The execution of the Registrar Agreement by the Chairman shall be conclusive evidence of any approval required by this Section.

Section 7. The firm of Steptoe & Johnson PLLC, Charleston, West Virginia, is hereby appointed bond counsel to the Issuer in connection with the issuance of the Series 2017 A Bonds.

Section 8. The Issuer does hereby appoint and designate United Bank, Inc., Charleston, West Virginia, for the purpose of serving in the capacity of Registrar and Depository Bank.

Section 9. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission for the purpose of serving in the capacity of Paying Agent.

Section 10. The Issuer hereby approves such Tax Compliance Policy and Continuing Disclosure Policy and Procedures for the Series 2017 A Bonds as shall be recommended by Bond Counsel and approved by the Chairman.

Section 11. The notice addresses for the Registrar and Paying Agent shall be as follows:

REGISTRAR

United Bank, Inc.
500 Lee Street, East
Charleston, West Virginia 25301
Attention: Corporate Trust Department

PAYING AGENT

West Virginia Municipal Bond Commission
900 Pennsylvania Avenue, Suite 1117
Charleston, West Virginia 25302
Attention: Executive Director

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Section 12. This Supplemental Parameters Resolution shall be effective immediately.

Adopted this 17th day of May, 2017.

BRADLEY PUBLIC SERVICE DISTRICT

Daymon Sweeney
Chairman

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Parameters Resolution duly adopted by the Public Service Board of BRADLEY PUBLIC SERVICE DISTRICT on the 17th day of May, 2017.

[SEAL]

Dorothy J Rader

Secretary

EXHIBIT A
FORM OF CERTIFICATE OF DETERMINATIONS

Bradley Public Service District
Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified)

CERTIFICATE OF DETERMINATIONS

The undersigned, _____, Chairman of Bradley Public Service District (the "Issuer"), in accordance with the Supplemental Parameters Resolution adopted by the Public Service Board of the Issuer on May 17, 2017 (the "Supplemental Parameters Resolution"), with respect to the Issuer's Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified) (the "Series 2017 A Bonds"), hereby finds and determines as follows:

1. The Series 2017 A Bonds shall be dated _____, 2017 and shall bear interest payable on _____ 1 and _____ 1 of each year commencing _____ 1, 20___.

2. The Series 2017 A Bonds shall be issued in the aggregate principal amount of $_____, at a true interest cost of _____%. Such interest rates do not exceed 7.00%, being the maximum interest rate authorized by the Supplemental Parameters Resolution.

3. The Series 2017 A Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.

4. The Series 2017 A Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.

5. The Series 2017 A Bonds shall be subject to optional and mandatory redemption as set forth on Schedule 2 attached hereto and incorporated herein.

6. The Series 2017 A Bonds shall be sold to Crews & Associates, Inc., Morgantown, West Virginia (the "Underwriter"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate purchase price of $_____ (representing par value less an Underwriter's discount of $_____ and a net [original issue premium] of $_____), plus interest accrued of $_____ on the Series 2017 A Bonds from _____ 1, 2017 to _____, 2017 (the "Closing Date").

7. The forms of the Continuing Disclosure Agreement and the Registrar Agreement attached hereto under Exhibit A are hereby approved.

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2017 A Bonds are within the parameters prescribed by the Supplemental Parameters Resolution, and the Series 2017 A Bonds may be issued with such terms and conditions as authorized by the Supplemental Parameters Resolution.

[Remainder of Page Intentionally Blank]

WITNESS my signature this _____ day of _____, 2017.

BRADLEY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

Schedule 1

Maturity Schedule

SERIES 2017 A BOND TERMS

Bond No.	Maturity Date	Principal Amount	Interest Rate	Price or Yield
AR-1				
AR-2				
AR-3				

Schedule 2

SERIES 2017 A BONDS REDEMPTION PROVISIONS

EXHIBIT A

FORMS OF DOCUMENTS

[See Transcript]

EXHIBIT B

Form of Preliminary Official Statement

[See Transcript]

Bradley Public Service District
Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified)

CERTIFICATE OF DETERMINATIONS

The undersigned Daymon Sweeney, Chairman of Bradley Public Service District (the "Issuer"), in accordance with the Supplemental Parameters Resolution adopted by the Public Service Board of the Issuer on May 17, 2017 (the "Supplemental Parameters Resolution"), with respect to the Issuer's Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified) (the "Series 2017 A Bonds"), hereby finds and determines as follows:

1. The Series 2017 A Bonds shall be dated June 8, 2017 and shall bear interest payable on March 1 and September 1 of each year commencing September 1, 2017.

2. The Series 2017 A Bonds shall be issued in the aggregate principal amount of $2,640,000, at a true interest cost of 3.5634%. Such interest rates do not exceed 7.00%, being the maximum interest rate authorized by the Supplemental Parameters Resolution.

3. The Series 2017 A Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.

4. The Series 2017 A Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.

5. The Series 2017 A Bonds shall be subject to optional and mandatory redemption as set forth on Schedule 2 attached hereto and incorporated herein.

6. The Series 2017 A Bonds shall be sold to Crews & Associates, Inc., Morgantown, West Virginia (the "Underwriter"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate purchase price of $2,570,839.85 (representing par value less an Underwriter's discount of $52,800 and original issue discount of $16,360.15), with no accrued interest.

7. The forms of the Continuing Disclosure Agreement and the Registrar Agreement attached hereto under Exhibit A are hereby approved.

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2017 A Bonds are within the parameters prescribed by the Supplemental Parameters Resolution, and the Series 2017 A Bonds may be issued with such terms and conditions as authorized by the Supplemental Parameters Resolution.

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WITNESS my signature this 25th day of May, 2017.

BRADLEY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

Schedule 1

Bradley Public Service District
Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified)

Term Bonds

$530,000 2.40% Term Bonds, Due March 1, 2021 at 2.40% (Price 100.000%) CUSIP 104579 AA5
$465,000 2.70% Term Bonds, Due March 1, 2024 at 2.70% (Price 100.000%) CUSIP 104579 AB3
$495,000 3.00% Term Bonds, Due March 1, 2027 at 3.00% (Price 100.000%) CUSIP 104579 AC1
$545,000 3.375% Term Bonds, Due March 1, 2030 at 3.50% (Price 98.721%) CUSIP 104579 AD9
$605,000 3.50% Term Bonds, Due March 1, 2033 at 3.630% (Price 98.448%) CUSIP 104579 AE7

Schedule 2

Optional Redemption

The Series 2017 A Bonds maturing on and after March 1, 2024, are subject to redemption at the option of the District, prior to maturity, on or after March 1, 2022, in whole or in part, at any time, the maturity date or dates of the Series 2017 A Bonds being redeemed to be selected by the District and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Series 2017 A Bonds maturing March 1, 2021, March 1, 2024, March 1, 2027, March 1, 2030 and March 1, 2033, are subject to annual mandatory redemption prior to maturity by random selection on March 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2021

Year (March1)	Amount
2018	$105,000
2019	140,000
2020	140,000
2021*	145,000

*Maturity

Bonds Maturing 2024

Year (March 1)	Amount
2022	$150,000
2023	155,000
2024*	160,000

*Maturity

Bonds Maturing 2027

Year (March 1)	Amount
2025	$160,000
2026	165,000
2027*	170,000

*Maturity

Bonds Maturing 2030

Year (March 1)	Amount
2028	$175,000
2029	180,000
2030*	190,000

*Maturity

Bonds Maturing 2033

Year (March 1)	Amount
2031	$195,000
2032	200,000
2033*	210,000

*Maturity

Except as provided above, in the event of any redemption of less than all outstanding Series 2017 A Bonds, Series 2017 A Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2017 A Bonds are to be redeemed, the Series 2017 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Date. So long as the Series

2017 A Bonds are maintained under a book-entry system, the selection of individual ownership interests in the Series 2017 A Bonds to be credited with any partial redemption shall be made as described herein under "BOOK-ENTRY ONLY SYSTEM."

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EXHIBIT A

Forms of Continuing Disclosure Agreement and Registrar's Agreement

[See Transcript]

Bradley Public Service District
Sewer Refunding Revenue Bonds, Series 2017 A (Bank-Qualified)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned Robert M. Steptoe on behalf of Crews & Associates, Inc. (collectively, the "Underwriter") and Daymon Sweeney, Chairman of the Bradley Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certify this 8th day of June 2017 as follows:

1. On the 8th day of June 2017, in Charleston, West Virginia, the Issuer delivered the entire original issue of $2,640,000 in aggregate principal amount of the Bradley Public Service District Sewer Refunding Revenue Bonds, Series 2017 A (the "Series 2017 A Bonds"). The Series 2017 A Bonds, as so received on original issuance, are in various denominations, are all dated June 8, 2017, are numbered from AR-1, upward in order of maturity to AR-5, and are registered in the name of "CEDE & CO."

2. At the time of such receipt of the Bonds, they had been executed by the Chairman of the Issuer by his manual signature, and the official seal of the Issuer had been impressed upon each Bond and attested by the Secretary of the Issuer by his manual signature, and had been authenticated by an authorized officer of United Bank, Inc., Charleston, West Virginia, as Registrar.

3. The Issuer has received and hereby acknowledges receipt from the Underwriter, as the original purchaser of the Bonds, of the proceeds of the Series 2017 A Bonds as follows:

Par Amount of Series 2017 A Bonds	$2,640,000.00
Less: Original Issue Discount	(16,360.15)
Less: Underwriter's Discount	(52,800.00)
Total	$2,570,839.85

Payment for the Series 2017 A Bonds was made in immediately available funds (federal funds wire) in the amount of $2,570,839.85.

WITNESS our signatures on the day and year first written above.

CREWS & ASSOCIATES, INC.

By: _____
Its: Authorized Officer

BRADLEY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

Bradley Public Service District
Sewer Refunding Revenue Bonds, Series 2017 A (Bank-Qualified)

DIRECTION TO AUTHENTICATE, REGISTER AND DELIVER BONDS

United Bank, Inc., as Registrar
500 Virginia Street, East
Charleston, West Virginia 25301

Ladies and Gentlemen:

There are delivered to you this 8th day of June, 2017 herewith as Registrar for the above-captioned Bonds:

1. Bonds No. AR-1 through AR-5 constituting the entire original issue of the Bradley Public Service District Sewer Refunding Revenue Bonds, Series 2017 A (Bank-Qualified) dated June 8, 2017, in the aggregate principal amount of $2,640,000 (the "Series 2017 A Bonds"), executed by the Chairman and Secretary of the Bradley Public Service District (the "Issuer") and bearing the official seal of the Issuer. The Series 2017 A Bonds are authorized to be issued under and pursuant to a Bond Resolution adopted by the Issuer on May 17, 2017, as supplemented by a Supplemental Parameters Resolution adopted by the Issuer on May 17, 2017, and a Certificate of Determinations executed by the Chairman on May 25, 2017 (collectively, the "Bond Resolution").

2. Copies of the Bond Resolution duly certified by the Secretary.

3. Signed, unqualified approving opinion of Steptoe & Johnson PLLC, as bond counsel with respect to the Series 2017 A Bonds.

You are hereby requested and authorized, pursuant to Section 3.03 of the Bond Resolution, to authenticate, register in the name of CEDE & CO., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC") and deliver the Bonds to DTC, for the account of Crews & Associates, Inc. (collectively, the "Underwriters").

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Dated the day and year first written above

BRADLEY PUBLIC SERVICE DISTRICT

By: Dayton Sweeney
Its: Chairman

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-1 $530,000.00

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA

BRADLEY PUBLIC SERVICE DISTRICT
SEWER REFUNDING REVENUE BONDS, SERIES 2017 A (BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.400%	March 1, 2021	June 8, 2017	104579 AA5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FIVE HUNDRED THIRTY THOUSAND DOLLARS ($530,000.00)

KNOW ALL MEN BY THESE PRESENTS: That BRADLEY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Raleigh County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on March 1, and September 1, in each year, beginning September 1, 2017 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by West Virginia Municipal Bond Commission, Charleston, West Virginia, as

paying agent (the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each February 15 and August 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Inc., Charleston, West Virginia, as registrar (the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $2,640,000 designated "Bradley Public Service District Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified)" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 8, 2017, the proceeds of which are to be used, together with other funds of the Issuer, (i) to pay the outstanding principal amount of, and accrued interest on, the Series 1978 Bonds, the Series 1995 A Bonds, the Series 1995 B Bonds and the Series 1995 C Bonds; (ii) to fund the Series 2017 A Bonds Reserve Account (as hereinafter defined) in an amount sufficient to satisfy the Reserve Requirement for the Series 2017 A Bonds; and (iii) to pay certain costs of issuance of the Series 2017 A Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on May 17, 2017, and supplemented by a supplemental parameters resolution duly adopted by the Issuer on May 17, 2017 and a Certificate of Determinations dated as of, and executed by the Chairman on, May 25, 2017 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. The Resolution provides for the issuance of Additional Parity Bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued Additional Parity bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Issuer.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

(I) SEWER REVENUE BONDS, SERIES 2002 A (STATE REVOLVING FUND), DATED JUNE 25, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $293,000 (THE "SERIES 2002 A BONDS"); AND

(II) SEWER REVENUE BONDS, SERIES 2005 A (STATE REVOLVING FUND), DATED JANUARY 14, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $6,192,677 (THE "SERIES 2005 A BONDS").

The Series 2002 A Bonds and the Series 2005 A Bonds are hereinafter collectively referred to as the "Prior Bonds."

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Resolution and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds are subject to optional redemption prior to maturity as follows: The Series 2017 A Bonds maturing on and after March 1, 2024, are subject to redemption at the option of the District, prior to maturity, on or after March 1, 2022, in whole or in part, at any time, the maturity date or dates of the Series 2017 A Bonds being redeemed to be selected by the District and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Series 2017 A Bonds maturing March 1, 2021, March 1, 2024, March 1, 2027, March 1, 2030 and March 1, 2033, are subject to annual mandatory redemption prior to maturity by random selection on March 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2021

Year (March1)	Amount
2018	$105,000
2019	140,000
2020	140,000
2021*	145,000

*Maturity

Bonds Maturing 2024

Year (March 1)	Amount
2022	$150,000
2023	155,000
2024*	160,000

*Maturity

Bonds Maturing 2027

Year (March 1)	Amount
2025	$160,000
2026	165,000
2027*	170,000

*Maturity

Bonds Maturing 2030

Year (March 1)	Amount
2028	$175,000
2029	180,000
2030*	190,000

*Maturity

Bonds Maturing 2033

Year (March 1)	Amount
2031	$195,000
2032	200,000
2033*	210,000

*Maturity

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. A copy of such notice of redemption shall also be mailed to the Paying Agent. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds and any hereinafter issued Additional Parity Bonds, and from monies in the reserve account created under the Resolution for the Bonds (the "Series 2017 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness

of the Issuer within the meaning of any of the provisions or limitations of the constitution, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2017 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any fiscal year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or subordinate to the Bonds, including the Prior Bonds and hereinafter issued Additional Parity Bonds, provided, however, that in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2017 A Bonds Reserve Account, the respective reserve accounts for the Prior Bonds and any hereinafter issued Additional Parity Bonds, such balance each year need only equal at least 110% of the maximum amount required in any fiscal year for payment of principal of and interest on the Series 2017 A Bonds and all other obligations on a parity therewith, including the Prior Bonds and any hereinafter issued Additional Parity Bonds.

All monies received from the sale of this Bond except for accrued interest thereon shall be applied solely to pay the Bonds to be Refunded, fund a reserve account for the Series 2017 A Bonds and pay costs of issuance hereof, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Resolution.

The Issuer has designated the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Resolution and the statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, BRADLEY PUBLIC SERVICE DISTRICT (WEST VIRGINIA) has caused this Bond to be signed by its Chairman, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

Raymond Sweeney
Chairman

SPECIMEN

ATTEST:

Dorothy J Reader
Secretary

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: June 8, 2017.

UNITED BANK, INC.,
as Registrar

By: _____
Its Authorized Officer

SPECIMEN

(Form of)

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____ the within Bond and does hereby irrevocably constitute and appoint

_____ to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

Chase Tower, 17th Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information

June 8, 2017

Bradley Public Service District
Bradley, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Re: Bradley Public Service District
Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified)

Ladies and Gentlemen:

We have acted as bond counsel to Bradley Public Service District (the "Issuer") and in such capacity have examined a record of proceedings relating to the issuance by the Issuer of its $2,640,000 aggregate principal amount of Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified) (the "Series 2017 A Bonds").

The Series 2017 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia including, particularly, Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Resolution duly adopted by the Public Service Board of the Issuer on May 17, 2017, as supplemented by a Supplemental Parameters Resolution duly adopted by the Public Service Board of the Issuer on May 17, 2017, and a Certificate of Determinations executed by the Chairman on March 25, 2017 (collectively, the "Bond Legislation"), and are subject to all the terms and conditions of the Bond Legislation. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Bond Legislation.

The Series 2017 A Bonds are issued in fully registered form, are dated their date of original issuance, June 8, 2017, mature on March 1 in the years and amounts (commencing March, 2018), and bear interest payable March 1 and September 1, commencing September 1, 2017, all as set forth in the Bond Legislation.

The Bond Legislation provides that the Series 2017 A Bonds are issued for the purpose, along with other funds of the Issuer available therefor, of (i) paying a portion of the cost of currently refunding the Issuer's Sewer Revenue Bonds, Series 1978, dated December 17, 1979, issued in the original aggregate principal amount of $1,522,000; Sewer Revenue Bonds, Series 1995 A, dated March 16, 1995, issued in the original aggregate principal amount of $2,000,000; Sewer Revenue Bonds, Series 1995 B, dated March 16, 1995, issued in the original aggregate principal amount of $1,676,000; and Sewer Revenue Bonds, Series 1995 C, dated March 16, 1995, issued in the original aggregate principal amount of $250,000 (collectively, the "Bonds to be Refunded"); (ii) funding the Series 2017 A Bonds Reserve Account in an amount equal to the Series 2017 A Bonds Reserve Requirement; and (iii) paying certain costs of issuance of the Series 2017 A Bonds and related costs.

The Series 2017 A Bonds have been sold to Crews & Associates, Inc. (the "Underwriters"), pursuant to a Bond Purchase Agreement, dated May 25, 2017 (the "Bond Purchase Agreement"), between the Underwriters and the Issuer.

As to questions of fact material to our opinion, we have relied upon representations and warranties of the Issuer and other entities, the representations and warranties contained in the Bond Legislation, the Bond Purchase Agreement, the Continuing Disclosure Agreement, dated June 8, 2017 (the "Continuing Disclosure Agreement"), between the Issuer and United Bank, Inc., the Tax Certificate and Agreement, dated the date hereof (the "Tax Certificate"), executed by the Issuer, and the certified proceedings and other certifications of certain officials of the Issuer and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants and representations of the Issuer and others set forth in the Bond Legislation, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Certificate and such certifications, we are of the opinion, under existing law, that:

1. The Issuer is a duly organized and validly existing public service district under and pursuant to the laws of the State of West Virginia, with full power and authority to adopt the Bond Legislation, enter into the Bond Purchase Agreement, the Continuing Disclosure Agreement and Tax Certificate, perform its obligations under the terms and provisions thereof and to issue and sell the Series 2017 A Bonds, all under the provisions of the Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted the Bond Legislation, has authorized, executed and delivered the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Tax Certificate, has authorized the distribution of the Official Statement in connection with the marketing and sale of the Series 2017 A Bonds, and has issued and delivered the Series 2017 A Bonds to the Underwriters pursuant to the Bond Purchase Agreement. The Bond Legislation is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Tax Certificate constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms. We have examined the executed and authenticated Series 2017 A Bonds of said issue and, in our opinion, said Series 2017 A Bonds are in proper form and have been duly executed and authenticated.

4. The Series 2017 A Bonds have been duly authorized, executed and delivered by the Issuer and, assuming proper authentication, constitute valid and legally enforceable limited obligations of the Issuer, payable from and secured by a first lien on the Net Revenues of the System, on a parity with the Issuer's: (i) Sewer Revenue Bonds, Series 2005 A (State Revolving Fund), dated January 14, 2005, issued in the original aggregate principal amount of $6,192,677 and held by the West Virginia Water Development Authority; and (ii) Sewer Revenue Bonds, Series 2002 A (State Revolving Fund), dated June 25, 2002, issued in the original aggregate principal amount of $293,000 and held by the West Virginia Water Development Authority (collectively referred to herein as the "Prior Bonds.")

The Series 2017 A Bonds are enforceable in accordance with their terms and the terms of the Bond Legislation, and are entitled to the benefits of the Bond Legislation and the Act.

5. The Bonds to be Refunded have been paid within the meaning and with the effect expressed in the Bond Resolutions, as supplemented, pursuant to which the Bonds to be Refunded were

issued, and the covenants, agreements and other obligations of the Issuer to the holders and owners of the Bonds to be Refunded have been satisfied and discharged.

6. Under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2017 A Bonds is excludable from gross income of the holders thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations. It should be noted, however, that for the purpose of calculating the alternative minimum tax on certain corporations (as defined for federal income tax purposes), such interest is taken into account as an adjustment to current earnings of such corporations.

Ownership of tax-exempt obligations, including the Series 2017 A Bonds, may result in collateral federal income tax consequences to certain taxpayers. We offer no opinion as to such collateral tax consequences or any other federal tax consequences arising with respect to the Series 2017 A Bonds. Prospective purchasers of the Series 2017 A Bonds should consult their own tax advisors as to such consequences.

The Issuer has designated the par amount of the Series 2017 A Bonds as "Qualified Tax-Exempt Obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, and regulations thereunder (the "Code") and has covenanted that not more than $10,000,000 aggregate principal amount of obligations, including the Series 2017 A Bonds, the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations described in Section 265(b)(3)(C)(ii) of the Code), have been or shall be issued by the Issuer or any entities subordinate to it, during the calendar year 2017, all as determined in accordance with the Code.

The opinions set forth in this paragraph 6 are subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied for interest on the Series 2017 A Bonds to be or continue to be excludable from gross income for federal income tax purposes, and with all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Series 2017 A Bonds set forth in the Bond Legislation, the Tax Certificate and the certifications of the Issuer and others (collectively, the "Tax Covenants"). Failure to comply with the Tax Covenants could cause the interest on the Series 2017 A Bonds to be included in gross income retroactively to the date of issuance of the Series 2017 A Bonds.

7. Under the Act, the Series 2017 A Bonds and the interest thereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

8. The Series 2017 A Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and the West Virginia Uniform Securities Act, as amended, and it is not necessary, in connection with the public offering and sale of the Series 2017 A Bonds, to register any securities under said Securities Acts.

It is to be understood that the rights of the holders of the Series 2017 A Bonds and the enforceability of the Series 2017 A Bonds, the Bond Legislation, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Certificate, and the liens, pledges, rights or remedies with respect thereto, are subject to and may be limited by any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally and that their enforcement may also be subject to the application of public policy, general principles of equity and the exercise of judicial discretion in appropriate cases.

The opinions expressed in this letter are based upon the law in effect on the date hereof, and may be affected by actions taken or omitted or events occurring after the date hereof, including subsequent interpretations of the applicable law by competent judicial, regulatory and administrative authorities that modify, revoke, supplement, reverse, overrule or otherwise change applicable law and current interpretations thereof. We assume no obligation to revise or supplement this opinion should such law be changed by legislative action, judicial decision, or otherwise, or to determine or to inform any person whether any such actions are taken or omitted or any such events occur.

Very truly yours,



STEPTOE & JOHNSON PLLC

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

Chase Tower, 17th Floor
P.O. Box 1588
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www.steptoe-johnson.com

Writer's Contact Information

June 8, 2017

Bradley Public Service District
Bradley, West Virginia

Crews & Associates, Inc.
Morgantown, West Virginia

Re: Bradley Public Service District $2,640,000
Sewer Refunding Revenue Bonds Series 2017 A (Bank Qualified)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance and sale by Bradley Public Service District (the "Issuer") of its $2,640,000 aggregate principal amount of Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified) (the "Series 2017 A Bonds"). In our capacity as Bond Counsel, we are delivering an opinion of even date herewith concerning the legality of the Series 2017 A Bonds and the exclusion of interest on the Series 2017 A Bonds from gross income for federal income tax purposes (the "Bond Opinion"). We have examined the documents and instruments as described in the Bond Opinion, the Official Statement and such other matters as we have deemed necessary or appropriate to render this opinion. Words and terms used in this opinion shall have the meanings assigned to them in the Bond Purchase Agreement (the "Purchase Agreement") dated May 25, 2017, between the Issuer and Crews & Associates, Inc. (the "Underwriter"), and approved by the Issuer.

Based upon the foregoing, we are of the opinion that:

1. The Purchase Agreement has been duly authorized, executed and delivered by, and (assuming due authorization, execution and delivery by the other parties and that it is a binding agreement of the other parties in accordance with its terms) constitutes a binding agreement in accordance with its terms of the Issuer.

2. The Series 2017 A Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

3. The statements contained in the Official Statement under the caption "Tax Matters" are true and accurate in all material respects and present a fair and accurate summary and description of the matters summarized and described under such caption.

4. The statements contained in the Official Statement under the captions "Financing Plan," "The Series 2017 A Bonds" (except for the statements referred to therein under "Book-Entry Series 2017 A Bonds" with respect to The Depository Trust Company), "Security for the Series 2017 A Bonds," "Appendix D – Form of Opinion of Bond Counsel," and "Appendix G - The Resolution" insofar as such statements contained under such captions purport to summarize certain matters set forth therein and certain provisions of the Resolution, are complete and accurate and present a fair summary of the matters referred to therein.

5. Our opinion of Bond Counsel and the Resolution being delivered at closing are in all material respects the same as the forms included as appendices to the Official Statement.

6. The Underwriter may rely on our opinion of Bond Counsel dated the date hereof as though the Underwriter were an addressee of such opinion of Bond Counsel

Very truly yours,

STEPTOE & JOHNSON PLLC

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Writer's Contact Information

June 8, 2017

Bradley Public Service District
Bradley, West Virginia

Crews & Associates, Inc.
Morgantown, West Virginia

Re: Bradley Public Service District $2,640,000
Sewer Refunding Revenue Bonds Series 2017 A (Bank Qualified)

Ladies and Gentlemen:

We have acted as counsel for Bradley Public Service District (the "Issuer") and have acted as such in connection with the sale of the above-referenced Bonds (the "Bonds"), which are being delivered and sold pursuant to a Bond Purchase Agreement dated as of May 25, 2017 (the "Purchase Agreement"), between Crews and Associates, Inc. (the "Underwriter") and the Issuer. Any capitalized term used herein and not defined shall have the meaning assigned to it in the Purchase Agreement.

In this connection, we have reviewed and examined certain proceedings and documents with respect to the Bonds, any such records, certificates and other documents as we have considered necessary or appropriate for the purposes of this opinion, the Constitution and the laws of the State of West Virginia, specifically Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the "Act"), the Resolution of the Issuer relating to the Bonds adopted by the Public Service Board of the District on May 17, 2017 (the "Bond Resolution"), as supplemented by a supplemental parameters resolution adopted by the Public Service Board of the District on May 17, 2017, and a Certificate of Determinations executed by the Chairman on May 25, 2017 (collectively, the "Resolution"), the Continuing Disclosure Agreement (the "Undertaking"), the Purchase Agreement, the Preliminary Official Statement and the Official Statement dated May 25, 2017, with respect to the issuance and offering of the Bonds (collectively the "Official Statement"), and a closing certificate of the Issuer. Based on such review and such other considerations of law and fact as we believe to be relevant, we are of the opinion that:

1. The District is a political subdivision, public corporation and public service district of the State of West Virginia.

2. The District has complied with all requirements of the Act that must be satisfied in connection with the issuance of the Bonds.

3. No litigation is pending, or to our knowledge, threatened in any court in any way affecting the existence of the District or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance or delivery of the Bonds, or the collection of Net Revenues of the System pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the refunding of the Bonds to be Refunded, the Resolution or the Purchase Agreement, or contesting the powers of the District with respect to the Bonds, the refunding of the Refunded Bonds, the Resolution, the refunding of the Bonds to be Refunded, the Undertaking or the Purchase Agreement or any transaction described in or contemplated by the Official Statement.

4. Based upon our experience as counsel to the District and on our review of the Official Statement, as amended or supplemented to the date of Closing, but without having undertaken to verify the same through independent investigation, we have no reason to believe that the statements and the information contained in the Official Statement under the captions "The District and the System," "Absence of Material Litigation," "Appendix B – The District and the System" and "Appendix F – Rate Tariff" contain any untrue statement of material fact or omit to state any material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect, it being understood, however, in rendering the foregoing opinion, we express no opinion with respect to statistical data, financial statements, operating statistics and other financial data in the Official Statement.

All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

Very truly yours,

STEPTOE & JOHNSON PLLC

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June 8, 2017

Crews & Associates, Inc.
69 Clay Street
Suite 202
Morgantown, West Virginia 26501

Re: Bradley Public Service District (West Virginia),
Sewer Refunding Revenue Bonds, Series 2017 A

Ladies and Gentlemen:

We have acted as counsel to you, Crews & Associates, Inc. (the "Underwriter"), in connection with the issuance and sale by the Bradley Public Service District (West Virginia) (the "Issuer") of its Sewer Refunding Revenue Bonds, Series 2017 A in the aggregate principal amount of $2,640,000 (the "Series 2017 A Bonds").

In connection with rendering this opinion, we have examined the Official Statement of the Issuer dated May 25, 2017 (the "Official Statement"), the Bond Purchase Agreement dated May 25, 2017, by and between the Issuer and the Underwriter (the "Purchase Agreement"), the Continuing Disclosure Agreement, dated June 8, 2017, between the Issuer and United Bank, Inc., as dissemination agent (the "Continuing Disclosure Agreement") and Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended and presently in effect (the "Rule"). Capitalized terms used but not defined herein shall have the meanings set forth in the Purchase Agreement.

Based upon the foregoing review, we are of the opinion that the Purchase Agreement has been validly authorized, executed and delivered by the Underwriter and, assuming due authorization, execution and delivery by the Issuer, constitutes a valid and binding agreement of the Underwriter, enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting the respective parties, the exercise of judicial discretion or the availability of equitable remedies.

It is also our opinion that the Continuing Disclosure Agreement, which provides for an undertaking for the benefit of the holders, including beneficial holders, of the Series 2017 A Bonds to provide certain annual financial information and event notices to repositories at the times and in the manner required by the Rule, satisfies the requirements of subparagraph (b)(5)(i) of the Rule in effect as of the date hereof and applicable to continuing disclosure undertakings.

Without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but solely on the basis of our conferences with representatives of the Issuer, Bond Counsel and the Underwriter, and our examination of certain documents referred to in the Official Statement, nothing has come to our attention that would lead us to believe that the Official Statement, as amended or supplemented to the date of Closing, (excluding therefrom all financial and statistical data included in the Official Statement, including the entirety of Appendix C thereto and all information concerning The Depository Trust Company and the book-entry only system for the Series 2017 A Bonds, on which we express no opinion) contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

This opinion is solely for the benefit of, and may be relied upon only by, the Underwriter, and it is not to be used, circulated, quoted or otherwise referred to for any other purpose, except that a copy hereof may be included in the transcript of closing documents pertaining to the delivery of the Series 2017 A Bonds.

Very truly yours,

Bowles Rice LLP

BOWLES RICE LLP

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The District deems this Preliminary Official Statement to be final for the purposes of the Securities and Exchange Commission Rule 15c2-12(b)(1), except for certain information on the cover page hereof and certain pages herein which have been omitted in accordance with said Rule and which will be supplied in the final Official Statement.

PRELIMINARY OFFICIAL STATEMENT DATED MAY 23, 2017

NEW ISSUE

UNRATED

In the opinion of Steptoe & Johnson PLLC, Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, (i) the interest on the Series 2017 A Bonds is excludable from gross income of the owners thereof for Federal income tax purposes, assuming compliance with certain provisions described herein pertaining to the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) the interest on the Series 2017 A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, for the purpose of calculating the alternative minimum tax on certain corporations (as defined for federal income tax purposes), such interest is taken into account as an adjustment to current earnings of such corporations, and (iii) under the laws of the State of West Virginia, the Series 2017 A Bonds are exempt from taxation by the State of West Virginia and the other taxing bodies of the State. In addition, the Series 2017 A Bonds have been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "TAX MATTERS" herein.

$2,640,000*
BRADLEY PUBLIC SERVICE DISTRICT
SEWER REFUNDING REVENUE BONDS
SERIES 2017 A (BANK QUALIFIED)

Dated: Date of Delivery

Due: _____ 1, as shown below

The Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified) (the "Series 2017 A Bonds") are issuable only as fully registered bonds without coupons in denominations of $5,000 and integral multiples thereof for any year of maturity. All of the Series 2017 A Bonds initially will be maintained under a book-entry system under which The Depository Trust Company, New York, New York ("DTC"), will act as securities depository. Purchases of the Series 2017 A Bonds will be in book-entry form only. Semiannual interest on the Series 2017 A Bonds is payable beginning September 1, 2017, and each March 1 and September 1 thereafter. So long as the Series 2017 A Bonds are maintained under a book-entry system, payments of the principal of, and premium, if any, and interest on the Series 2017 A Bonds will be made when due by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent, to DTC in accordance with the Resolution, as defined herein, and the Paying Agent will have no obligation to make any payments to any beneficial owner of any of the Series 2017 A Bonds. See "THE SERIES 2017 A BONDS" and "BOOK-ENTRY ONLY SYSTEM."

The Series 2017 A Bonds are being issued by Bradley Public Service District (the "District"), together with other funds available therefor, to: (i) provide funds to currently refund the District's Sewer Revenue Bonds, Series 1978 (the "Series 1978 Bonds"), Sewer Revenue Bonds, Series 1995 A (the "Series 1995 A Bonds"), Sewer Revenue Bonds, Series 1995 B (the "Series 1995 B Bonds"), and Sewer Revenue Bonds, Series 1995 C (the "Series 1995 C Bonds" and, collectively with the Series 1978 Bonds, the Series 1995 A Bonds and the Series 1995 B Bonds, the "Refunded Bonds"); (ii) fund a debt service reserve account for the Series 2017 A Bonds in an amount equal to the Series 2017 A Bonds Reserve Requirement; and (iii) pay costs of issuance of the Series 2017 A Bonds and related costs.

The Series 2017 A Bonds are payable from and further secured by the Net Revenues derived from the existing sanitary sewerage collection and treatment system of the District and any future additions, extensions, improvements and betterments thereto (collectively, the "System"), on parity with the Prior Bonds, and from funds on deposit in the Series 2017 A Bonds Sinking Fund and in the Series 2017 A Bonds Reserve Account therein, as more fully described herein. The Series 2017 A Bonds do not constitute an indebtedness of the District within the meaning of any constitutional or statutory provisions or limitations, and the District shall not be obligated to pay the principal of, premium, if any, or interest on the Series 2017 A Bonds, except from the Net Revenues and such funds on deposit. Neither the full faith and credit nor the taxing power, if any, of the District shall be deemed to be pledged to, nor shall any tax be levied for, the payment of the principal of, premium, if any, or interest on the Series 2017 A Bonds. The District has no taxing power.

The Series 2017 A Bonds are subject to redemption prior to maturity as described herein.

The District has designated the Series 2017 A Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended. See "TAX MATTERS" for additional information.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision. The Series 2017 A Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, to withdrawal or modification of the offering without notice and to the unqualified approval of legality by Steptoe & Johnson PLLC, Charleston, West Virginia, Bond Counsel. Steptoe & Johnson PLLC, Charleston, West Virginia, as counsel to the District, will pass on certain legal matters for the District. Bowles Rice LLP, Charleston, West Virginia, as counsel to the Underwriter, will pass upon certain legal matters for the Underwriter. It is expected that the Series 2017 A Bonds will be available through the facilities of DTC on or about June 8, 2017.

Dated: May ___, 2017

Crews&Associates
Member First Security Bancorp

* Preliminary, subject to change.

$2,640,000*
BRADLEY PUBLIC SERVICE DISTRICT
SEWER REFUNDING REVENUE BONDS
SERIES 2017 A (BANK QUALIFIED)

Maturities, Amounts, Interest Rates, Prices & CUSIPS**

Serial Bonds*

Maturity (March 1)	Amount	Interest Rate	Price	CUSIP**

Term Bonds*

$_____ % TERM BONDS DUE MARCH 1, 20___* AT ____%, CUSIP _____**

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* Preliminary, subject to change.

** CUSIP data is provided by Standard & Poor's CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. The CUSIP numbers on the inside cover page hereof are being provided solely for the convenience of the Owners of the Series 2017 A Bonds only at the time of issuance of the Series 2017 A Bonds and neither the Underwriter nor the District make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2017 A Bonds.

BRADLEY PUBLIC SERVICE DISTRICT

PUBLIC SERVICE BOARD
Daymon Sweeney, Chairman
Dorothy Redden, Secretary
Dwight Reggi, Treasurer

ADMINISTRATION
Scott Howell, General Manager
Fran L. Shelton, Office Manager

ISSUER'S COUNSEL
Steptoe & Johnson PLLC
Charleston, West Virginia

BOND COUNSEL
Steptoe & Johnson PLLC
Charleston, West Virginia

ACCOUNTANT
Lowe & Associates, PLLC
Milton, West Virginia

UNDERWRITER
Crews & Associates, Inc.
Morgantown, West Virginia
Little Rock, Arkansas

UNDERWRITER'S COUNSEL
Bowles Rice LLP
Charleston, West Virginia

PAYING AGENT
West Virginia Municipal Bond Commission
Charleston, West Virginia

REGISTRAR
United Bank, Inc.
Charleston, West Virginia

DISSEMINATION AGENT
United Bank, Inc.
Charleston, West Virginia

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2017 A Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by Bradley Public Service District (the "District") or the Underwriter to give any information or to make any representations, other than as is contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The information set forth herein has been obtained from the District and other sources, which are believed to be reliable, but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information and any expression of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the District, as it relates to the System, since the date hereof. This Official Statement is submitted in connection with the sale of securities referred to herein, and may not be reproduced or used, in whole or in part, for any other purposes.

The information contained in this Official Statement has been obtained from the District and other sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a promise by any of the foregoing. The presentation of such information is intended to show recent historic information and is not intended to indicate future or continuing trends. No representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. This Official Statement contains, in part, estimates and matters of opinion, whether or not expressly stated to be such, which are not intended as statements or representations of fact or certainty, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District.

The Series 2017 A Bonds shall not be or constitute an indebtedness of the District within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Net Revenues of the System, and from the funds on deposit in the Series 2017 A Bonds Sinking Fund in the Series 2017 A Bonds Reserve Account therein, and the unexpended proceeds of the Series 2017 A Bonds, all as herein provided. No Holder or Holders of the Series 2017 A Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power, if any, of the District to pay the Series 2017 A Bonds or the interest thereon. The District has no taxing authority.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimated," "forecasted," "intended," "expected," "anticipated," "projected" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. For a discussion of certain of such risks and possible variations in results, see the information under "INVESTMENT CONSIDERATIONS."

You should make your own decision as to whether this offering meets your investment objectives and risk tolerance level. No federal or state securities commission has approved, disapproved, endorsed or recommended this offering. No independent person has confirmed the accuracy or truthfulness of this disclosure or whether it is complete. The West Virginia Securities Commission has not reviewed the disclosure contained herein, and the District is relying on an exemption from registration by qualification under the West Virginia Securities Act.

The Resolution has not been qualified under the Trust Indenture Act of 1939, as amended, because of available exemptions therefrom.

The following sentence has been provided by the Underwriter for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Series 2017 A Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency has determined or confirmed the accuracy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2017 A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

$2,640,000*
BRADLEY PUBLIC SERVICE DISTRICT
SEWER REFUNDING REVENUE BONDS
SERIES 2017 A (BANK QUALIFIED)

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of setting forth certain information concerning Bradley Public Service District, located in Raleigh County, West Virginia (the "District"), the District's sanitary sewerage collection and treatment system hereinafter described and the District's $2,640,000* in aggregate principal amount of Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified) (the "Series 2017 A Bonds"). The Series 2017 A Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the "State"), including Chapter 16, Article 13A of the Code of West Virginia of 1931, as amended (the "Act"), and a resolution adopted by the Public Service Board of the District on May 17, 2017 (the "Original Resolution"), as supplemented by a Supplemental Parameters Resolution duly adopted by the Public Service Board of the District on May 17, 2017 (the "Supplemental Parameters Resolution"), and a Certificate of Determinations executed by the Chairman of the District dated May ___, 2017 (the "Certificate of Determinations" and, collectively with the Original Resolution and the Supplemental Parameters Resolution, the "Resolution").

The proceeds of the Series 2017 A Bonds, together with other funds available therefor, will be used to: (i) provide funds to currently refund the District's Sewer Revenue Bonds, Series 1978 (the "Series 1978 Bonds"), Sewer Revenue Bonds, Series 1995 A (the "Series 1995 A Bonds"), Sewer Revenue Bonds, Series 1995 B (the "Series 1995 B Bonds"), and Sewer Revenue Bonds, Series 1995 C Bonds (the "Series 1995 C Bonds" and, collectively with the Series 1978 Bonds, the Series 1995 A Bonds and the Series 1995 B Bonds, the "Refunded Bonds"); (ii) fund a debt service reserve account for the Series 2017 A Bonds in an amount equal to the Series 2017 A Bonds Reserve Requirement; and (iii) pay costs of issuance of the Series 2017 A Bonds and related costs.

Following the refunding of the Refunded Bonds, the District will have outstanding the following bonds, all of which are payable from the Net Revenues of the System on a parity with the Series 2017 A Bonds:

(1) Sewer Revenue Bonds, Series 2002 A (State Revolving Fund), dated June 25, 2002, issued in the original principal amount of $293,000 and held by the West Virginia Water Development Authority (the "Series 2002 A Bonds"); and

(2) Sewer Revenue Bonds, Series 2005 A (State Revolving Fund), dated January 14, 2005, issued in the original principal amount of $6,192,677 and held by the West Virginia Water Development Authority (the "Series 2005 A Bonds").

The Series 2002 A Bonds and the Series 2005 A Bonds are hereinafter collectively called the "Prior Bonds."

The Series 2017 A Bonds shall be issued on a parity with one another, the Prior Bonds, and any Additional Parity Bonds (as hereinafter defined) with respect to liens, pledge and source of and security for payment and in all other respects pursuant to the Resolution. See "SECURITY FOR THE SERIES 2017 A BONDS."

---

* Preliminary, subject to change.

The Series 2017 A Bonds are payable from and secured by the Net Revenues, as defined in the Resolution and hereinafter, derived from the existing sanitary sewerage collection and treatment sewer system of the District and any future extensions, additions, improvements or betterments thereto (collectively, the "System"), on parity with the Prior Bonds and any Additional Parity Bonds, and from funds on deposit in the Series 2017 A Bonds Sinking Fund and in the Series 2017 A Bonds Reserve Account therein. The Series 2017 A Bonds do not constitute an indebtedness of the District within the meaning of any constitutional or statutory provisions or limitations, and the District shall not be obligated to pay the Series 2017 A Bonds or premium, if any, or the interest thereon except from such Net Revenues and such funds on deposit.

Pursuant to the Resolution, the District has covenanted and agreed to establish and collect just and equitable rates and charges for the use of the System and the services rendered thereby which shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any fiscal year for payment of principal of and interest on the Series 2017 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2017 A Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds, provided, however, that in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2017 A Bonds Reserve Account and the respective reserve accounts for the Prior Bonds and any hereinafter issued Additional Parity Bonds, such balance each year need only equal at least 110% of the maximum amount required in any fiscal year for payment of principal of and interest on the Series 2017 A Bonds and all other obligations on a parity therewith, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. See "SECURITY FOR THE SERIES 2017 A BONDS – Rate Covenant" and "APPENDIX G – THE RESOLUTION."

The Series 2017 A Bonds will be dated, will mature, will bear interest and will be subject to redemption prior to maturity as more fully described on the cover page hereto and under the heading "THE SERIES 2017 A BONDS" herein. The Series 2017 A Bonds initially will be maintained under a book-entry system. So long as the Series 2017 A Bonds are maintained under a book-entry system, the manner of payment, the denominations, the transfer and exchange of ownership and the method of providing notice of redemption to the owners of the Series 2017 A Bonds shall be determined as described under "BOOK-ENTRY ONLY SYSTEM" herein. If the book-entry system is discontinued, principal of, and interest and premium, if any, on the Series 2017 A Bonds will be payable by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Bond Commission" or the "Paying Agent"), to the owners thereof at the addresses appearing in the books kept by United Bank, Inc., as registrar (the "Registrar"). For further information describing the method of payment and other matters in the event the book-entry system is discontinued, see "THE SERIES 2017 A BONDS" herein.

For a description of the exclusion of interest on the Series 2017 A Bonds from gross income for federal income tax purposes and West Virginia state income tax purposes, see "TAX MATTERS."

The District may issue Additional Parity Bonds for the purpose of financing the cost of design, construction, acquisition, and/or equipping of extensions, additions, improvements or betterments to the System, refunding all or a portion of one or more series of Prior Bonds, the Series 2017 A Bonds or hereinafter issued Additional Parity Bonds, to pay claims which may exist against the revenues or facilities of the System, or all of such purposes, subject, in each case, to certain tests and conditions provided for by the Resolution (the Series 2017 A Bonds, the Prior Bonds, and any such Additional Parity Bonds are hereinafter collectively referred to as the "Bonds"). See "SECURITY FOR THE SERIES 2017 A BONDS - Additional Parity Bonds."

The Series 2017 A Bonds are offered when, as and if issued and received on behalf of Crews & Associates, Inc. (the "Underwriter"), subject to prior sale, to withdrawal or modification of the offering without notice and to the unqualified approval of legality by Steptoe & Johnson PLLC, Charleston, West

Virginia, Bond Counsel. Steptoe & Johnson PLLC, Charleston, West Virginia, as counsel to the District, will pass upon certain legal matters for the District. Bowles Rice LLP, Charleston, West Virginia, as counsel to the Underwriter, will pass upon certain legal matters for the Underwriter.

Brief descriptions of the Series 2017 A Bonds, the Resolution, the refunding of the Refunded Bonds, the District, and certain provisions of the Resolution and the Act, as defined in the Resolution and hereinafter, are set forth in this Official Statement, as well as other information contained in the appendices hereto. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Resolution, provisions of the Act and other applicable laws of the State are qualified in their entirety by reference to each such document or law. References herein to the Series 2017 A Bonds are qualified in their entirety by reference to the form thereof included in the Resolution and the information with respect thereto included in the aforesaid documents. Capitalized terms used and not otherwise defined in this Official Statement shall have the respective meanings given them in the Resolution a copy of which is attached hereto as APPENDIX G - THE RESOLUTION. Copies of the Resolution and other applicable documents may be obtained from the District or, during the period of offering the Series 2017 A Bonds, from the Underwriter.

FINANCING PLAN

The proceeds of the Series 2017 A Bonds, together with other funds of the Issuer available therefor, will be used to: (i) provide funds to currently refund the Refunded Bonds; (ii) fund a debt service reserve account for the Series 2017 A Bonds in an amount equal to the Series 2017 A Bonds Reserve Requirement; and (iii) pay costs of issuance of the Series 2017 A Bonds and related costs. The District expects to pay the outstanding principal of, and interest on, the Refunded Bonds contemporaneously with the issuance of the Series 2017 A Bonds.

Sources and Uses of Funds (exclusive of accrued interest, if any)

Sources of Funds:	
Principal Amount of Series 2017 A Bonds	$
Transfer from the Refunded Bonds Debt Service Reserve Funds	$
Net Original Issue [Discount/Premium]	$
Total Sources	$
Uses of Funds:	
Payment to USDA for Current Refunding of Refunded Bonds	$
Deposit to Series 2017 A Bonds Reserve Account [(1)]	$
Costs of Issuance [(2)]	$
Total Uses	$

(1) See "SECURITY FOR THE SERIES 2017 A BONDS - Series 2017 A Bonds Reserve Account."

(2) Includes, but is not limited to, legal, accounting and financing fees, bond counsel fees, underwriter's discount, underwriter's counsel fees, rounding, registrar's fee, and other miscellaneous expenses relating to the issuance of the Series 2017 A Bonds.

THE SERIES 2017 A BONDS

General

The Series 2017 A Bonds are dated and bear interest from the date of issuance. Any Series 2017 A Bond issued in exchange on or subsequent to said first interest payment date will be dated as of the interest payment date next preceding the date of authentication thereof unless the date of authentication is an interest payment date on which interest on said Series 2017 A Bond shall have been paid in full or duly provided for, in which case said Series 2017 A Bond shall be dated such date of authentication; or unless,

as shown by the records of the Registrar, as defined below, interest on such Series 2017 A Bond shall be in default, in which case any Series 2017 A Bond issued in exchange for a Series 2017 A Bond surrendered for transfer or exchange shall be dated as of the date to which interest has been paid in full. The Series 2017 A Bonds will bear interest from their date, payable semiannually on each March 1 and September 1, commencing September 1, 2017, upon original issuance, at the rates per annum and will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement.

The Series 2017 A Bonds will be issued as fully registered bonds without coupons in denominations of $5,000 and integral multiples thereof for any year of maturity. The Series 2017 A Bonds initially shall be maintained under a book-entry system; Beneficial Owners shall have no right to receive physical possession of the Series 2017 A Bonds and payments of principal of, redemption price, if any, and interest on the Series 2017 A Bonds will be made as described herein under "BOOK-ENTRY ONLY SYSTEM." If the book-entry system is discontinued, interest on the Series 2017 A Bonds will be payable by check or draft made payable and mailed to the owners thereof at the addresses appearing in the books kept by the Registrar as of the 15th day of the month preceding such interest payment date or, in the event of a default in the payment of the Series 2017 A Bonds, that special record date to be fixed by the Registrar by notice given to the owners not less than 10 days prior to said special record date (the "Record Date"). If the book-entry system is discontinued, principal of, premium, if any, and interest on the Series 2017 A Bonds will be payable to the owner thereof upon surrender thereof at the principal office of the Paying Agent.

So long as the Series 2017 A Bonds are maintained under a book-entry system, transfers of ownership interests in the Series 2017 A Bonds will be made as described herein under "BOOK-ENTRY ONLY SYSTEM." If the book-entry system is discontinued, ownership of any Series 2017 A Bond may be transferred upon surrender thereof to the Registrar, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his duly authorized attorney or legal representative. Upon any such transfer of a Series 2017 A Bond, there will be issued another Series 2017 A Bond or Series 2017 A Bonds, at the option of the transferee, of the same aggregate principal amount, series, maturity and interest rate as said Series 2017 A Bond. For every exchange or transfer of Series 2017 A Bonds, the Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. The person requesting such transfer or exchange shall pay any service charge of the Registrar and any applicable tax or other governmental charge.

Optional Redemption*

The 2017 A Bonds maturing on and after March 1, ____, are subject to redemption at the option of the District, prior to maturity, on or after March 1, ____, in whole or in part, at any time, the maturity date or dates of the Series 2017 A Bonds being redeemed to be selected by the District and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

Mandatory Sinking Fund Redemption*

The Series 2017 A Bonds maturing March 1, 20__, March 1, 20__ and March 1, 20__, are subject to annual mandatory redemption prior to maturity by random selection on March 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

* Preliminary, subject to change.

Series 2017 A Bonds Maturing 20__

Year (March 1)	Principal Amount
20__	$_____
20__*	$_____

*Final maturity.

Year (March 1)	Principal Amount
20__	$_____
20__*	$_____

*Final maturity.

Year (March 1)	Principal Amount
20__	$_____
20__*	$_____

*Final maturity.

Except as provided above, in the event of any redemption of less than all outstanding Series 2017 A Bonds, Series 2017 A Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2017 A Bonds are to be redeemed, the Series 2017 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Date. So long as the Series 2017 A Bonds are maintained under a book-entry system, the selection of individual ownership interests in the Series 2017 A Bonds to be credited with any partial redemption shall be made as described herein under "BOOK-ENTRY ONLY SYSTEM."

Notice of Redemption

So long as the Series 2017 A Bonds are maintained under a book-entry system, notice of the call for any redemption of the Series 2017 A Bonds shall be given as described below under "BOOK-ENTRY ONLY SYSTEM." Notice of redemption of the Series 2017 A Bonds, unless waived, shall be given by the Registrar on behalf of the District by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2017 A Bonds; and failure to mail such notice shall not affect the validity of proceedings for the redemption of the Bond. After notice of redemption has been given in the manner hereinabove and in the Resolution described and moneys necessary therefor have been deposited, the Series 2017 A Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue.

BOOK-ENTRY ONLY SYSTEM

The information in this section has been obtained from sources that the District and the Underwriter believe to be reliable, but neither the District nor the Underwriter take any responsibility for the accuracy thereof.

The Depository Trust Company

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2017 A Bonds. The Series 2017 A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2017 A Bond certificate will be issued for each maturity of the Series 2017 A Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Series 2017 A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017 A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2017 A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2017 A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2017 A Bonds, except in the event that use of the book-entry system for the Series 2017 A Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2017 A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2017 A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2017 A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017 A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial

Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2017 A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2017 A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2017 A Bonds documents. For example, Beneficial Owners of Series 2017 A Bonds may wish to ascertain that the nominee holding the Series 2017 A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Series 2017 A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2017 A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2017 A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Series 2017 A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and detail information from the District or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Series 2017 A Bonds at any time by giving reasonable notice to the District or Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2017 A Bonds certificates are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2017 A Bonds certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

THE ISSUER, THE PAYING AGENT AND THE REGISTRAR WILL HAVE NO RESPONSIBILITY OR OBLIGATION TO THE DIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE ACCURACY OF THE RECORDS OF DTC, ITS NOMINEE OR ANY DIRECT PARTICIPANT PERTAINING TO OWNERSHIP IN THE 2017 BONDS OR THE PAYMENTS TO, OR THE PROVIDING OF NOTICE FOR, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE 2017 A BONDS, REFERENCES TO THE HOLDERS OF THE 2017 A BONDS OR OWNERS OF THE 2017 A BONDS, SHALL MEAN CEDE & CO., AND SHALL NOT MEAN THE BENEFICIAL OWNERS.

SECURITY FOR THE SERIES 2017 A BONDS

The Series 2017 A Bonds are special obligations of the District and are payable as to principal, premium, if any, and interest solely from the sources described below. The District is under no obligation to pay the Series 2017 A Bonds except from said sources.

Sources of Payment

The payment of the debt service on the Series 2017 A Bonds shall be secured forthwith equally and ratably by a parity first lien on and pledge of the Net Revenues derived from the System, on parity with one another, the Prior Bonds, and any Additional Parity Bonds, and the funds on deposit in the Series 2017 A Bonds Sinking Fund and in the Series 2017 A Bonds Reserve Account therein. Net Revenues derived from the System in an amount sufficient to pay the principal of, and premium, if any, and interest on the Series 2017 A Bonds and to make the payments into the Series 2017 A Bonds Sinking Fund and the Series 2017 A Bonds Reserve Account therein and all other payments provided for in the Resolution, and the funds in the Series 2017 A Bonds Sinking Fund and the Series 2017 A Bonds Reserve Account therein are irrevocably pledged to the payment of the principal of, and premium, if any, and interest on, the Series 2017 A Bonds as the same become due and for the other purposes provided in the Resolution.

Rate Covenant

The District has covenanted and agreed in the Resolution, so long as the Series 2017 A Bonds are outstanding, to establish and collect just and equitable rates and charges for the use of the System and the services rendered thereby which shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any fiscal year for payment of principal of and interest on the Series 2017 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2017 A Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds, provided, however, that in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2017 A Bonds Reserve Account and the respective reserve accounts for the Prior Bonds and any hereinafter issued Additional Parity Bonds, such balance each year need only equal at least 110% of the maximum amount required in any fiscal year for payment of principal of and interest on the Series 2017 A Bonds and all other obligations on a parity therewith, including the Prior Bonds and any hereinafter issued Additional Parity Bonds.

In the computation provided in the above paragraph, "revenues of the System" shall include increased Net Revenues estimated to be derived from any improvements under construction, and any change in rates approved by Order of the Public Service Commission of West Virginia (the "PSC"), the time of appeal of which shall have expired, whether or not such approved rates are being charged and collected by the District.

The District has covenanted to require that each annual audit contain a statement of the auditor that the District either is or is not in compliance with the rate covenant described above. In the event that any audit contains a statement that the District is not in compliance with such rate covenant, the District has covenanted that it shall, within one hundred and twenty (120) days of receiving the audit report, file a petition with the PSC seeking approval of rates and charges sufficient to comply with the above-mentioned rate requirement. See "APPENDIX G – THE RESOLUTION"

Summary Statement of Income and Expense (Fiscal Year Ended June 30) [1]

	Audited FY 2012	Audited FY 2013	Audited FY 2014	Audited FY 2015	Audited FY 2016	Projected FY 2017
Operating Revenues	1,220,720	1,224,755	1,221,750	1,233,957	1,212,274	1,229,000
Interest/Other Income	18,407	26,014	4,182	2,989	3,079	3,100
Total Cash	1,239,127	1,250,769	1,225,932	1,236,946	1,215,353	1,232,100
*Less: O&M Expenses	(722,296)	(668,037)	(707,406)	(656,394)	(683,726)	(656,000)
Cash Available for Debt Service	516,831	582,732	518,526	580,552	531,627	576,100
Debt Service Requirements	522,131	522,131	522,131	522,131	522,131	522,131
Remaining Cash	(5,300)	60,601	(3,605)	58,421	9,496	53,969
Debt Service Coverage	98.98%	111.61%	98.99%	111.07%	101.70%	110.34%

*O & M Expenses are net of depreciation & amortization

(1) Source: Lowe & Associates PLLC. The Projected FY 2017 was calculated by taking the District's 2.17% rate increase that was granted in November 2016, which would be approximately $25,000 per year, and taking 10 months of that figure ($17,000) and adding it to the prior year operating revenues (1,212,274 + $17,001 = $1,229,275). The Expenses were an estimate of taking an average of the prior two years' expenses.

As of the end of its fiscal years ending June 30, 2012, June 30, 2013, June 30, 2014 and June 30, 2016, the District was not in compliance with the covenants set forth in the bond resolutions authorizing the issuance of the Prior Bonds and the Refunded Bonds requiring the District to maintain and charge rates sufficient to provide for all operating expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on its outstanding bonds, provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit in the reserve accounts for such bonds, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on its outstanding bonds. Such noncompliance constituted an event of default under the respective bond resolutions relating to such outstanding bonds. However, the holders of such outstanding bonds have not exercised any available remedies as a result of such default, which available remedies are similar to the remedies set forth in the Resolution included in Appendix G attached hereto. Based upon the notes to the District's Financial Statements for the Fiscal Years ended June 30, 2015 and June 30, 2014, each of the reserve accounts for the Prior Bonds and the Refunded Bonds was funded to the required amount as of June 30, 2015. The District has established rates effective for all bills rendered by the District on and after November 21, 2016, that have been approved by the Public Service Commission of West Virginia (the "PSC") that, based upon the Recommended Decision of the PSC approving such rates, will provide debt service coverage of 116.22% for the first 29 months and 110.06% thereafter. See APPENDIX B – THE DISTRICT AND THE SYSTEM – Summary of Historical Revenues and Expenses."

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Estimated Debt Service Coverage with Refunding and Rate Order[1]:

Pursuant to the District's tariff issued on November 22, 2016, the District implemented a Step 1 rate increase effective for 29-months for services rendered on or after November 21, 2016. After the 29-Month Step 1 Rate Period ends, Step 2 rates will come into effect, generating a revenue decrease over current rates. The following Table[1] outlines the estimated debt service coverage based on the FY 2016 figures adjusted to account for the Step 2 rate decrease assuming that the rate decrease was in effect for the full year and to reflect the anticipated reduction in the maximum annual debt service resulting from the refunding of the Refunded Bonds:

	FY 2016
Amount Available for Debt Service[2]	$531,627
Tariff[3]	(5,175)
Adjusted amount available for debt service:	526,452
Maximum annual debt service - fiscal year[4]:	435,716
Estimated coverage:	120.82%

(1) The Table above was prepared by the Underwriter using data provided by the WV Public Service Commission and the Bradley Public Service District Audited Financial Statements 2014-2016. The Table is preliminary and subject to change.

(2) Appendix B: Summary Statement of Income & Expenses Table. Prepared by the District.

(3) On November 22, 2016, the West Virginia Public Service Commission (the "PSC") issued a Step 1 Rate and Step 2 Rate Order for Bradley Public Service District. The PSC Staff recommended a Step 1 rate increase for the first 29-months and determined that the Step 1 rates would generate a rate increase of $27,235 (or 2.19%) annually over the current rates. The PSC also recommended that the Step 2 rates would go into effect after the 29-month Step 1 Rate period. The PSC determined that the Step 2 rates would generate a revenue decrease of $5,175 (or -.42%) annually over the current rates. The Tariff line item in the table above only takes into account the Step 2 Rates that decrease annual revenues at current rates by $5,175.

(4) Preliminary. Subject to Change. Includes the debt service on the 2017 A Bonds and the Prior Bonds.

Series 2017 A Bonds Reserve Account

The deposit of $_____ into the Series 2017 A Bonds Reserve Account (the "Series 2017 A Bonds Reserve Requirement") shall equal the maximum amount of principal and interest which will become due on the Series 2017 A Bonds in the then current or any succeeding year as of the Closing Date, which amount is the least of: (i) 10% of the original stated principal amount of the Series 2017 A Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2017 A Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the 2017 A Bonds in the then current or any succeeding year. In the event funds in the Revenue Fund are insufficient to pay the principal of and/or interest on the Series 2017 A Bonds, the Bond Commission shall withdraw and transfer to the Series 2017 A Bonds Sinking Fund sufficient amounts to make payments of principal of and/or interest on the 2017 Bonds as the same becomes due from cash on deposit in the Series 2017 A Bonds Reserve Account.

In the event of a transfer from the Series 2017 A Bonds Reserve Account to the Series 2017 A Bonds Sinking Fund as aforesaid, the District shall restore the balance to the Series 2017 A Bonds Reserve Account in an amount up to the Series 2017 A Bonds Reserve Requirement. The transfer of any cash by the District from the Series 2017 A Bonds Reserve Account to the Series 2017 A Bonds Sinking Fund shall be replenished with monies remaining in the Revenue Fund after payment of Operating Expenses of the System and payment of monthly installments of the Series 2017 A Bonds, the Prior Bonds and any hereinafter issued Additional Parity Bonds (as hereinafter defined), pro rata with such other Bonds, as further provided in the Resolution.

The Series 2017 A Bonds Reserve Account is pledged solely to the payment of principal of and interest on the Series 2017 A Bonds.

Application of Revenues

The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt by the District in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

(1) The District shall first each month pay from the Revenue Fund the Operating Expenses of the System.

(2) The District shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) the amounts required by the Prior Resolutions to pay interest on the Prior Bonds; and (ii) commencing 6 months prior to the first interest payment date on the Series 2017 A Bonds, for deposit in the Series 2017 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2017 A Bonds on the next ensuing semiannual interest payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2017 A Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; and, provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2017 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2017 A Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2017 A Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2017 A Bonds Sinking Fund.

(3) The District shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) the amounts required by the Prior Resolutions to pay the principal of the Prior Bonds; and (ii) commencing 12 months prior to the first principal payment date or mandatory Redemption Date of the Series 2017 A Bonds, for deposit in the Series 2017 A Bonds Sinking Fund, and in the Series 2017 A Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2017 A Bonds on the next ensuing principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2017 A Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is less than or greater than 12 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and, provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2017 A Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph.

(4) The District shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the respective Reserve Accounts, the amounts required under the Prior Resolutions to be deposited in the respective reserve requirements for the Prior Bonds; and (ii) for deposit in the Series 2017 A Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2017 A Bonds Reserve Account below the Series 2017 A Bonds Reserve Requirement or any withdrawal from the Series 2017 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2017 A Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2017 A Bonds Reserve Account is less than the Series 2017 A Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2017 A Bonds Reserve Account for deposit into the Series 2017 A Bonds Sinking Fund, which withdrawal results in the value of the monies in the Series 2017 A Bonds Reserve Account to be below the Series 2017 A Bonds Reserve Requirement. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2017 A Bonds Reserve Account to an amount equal to the Series 2017 A Bonds Reserve Requirement to the full extent that such Net Revenues are available; provided, that no payments shall be required to be made into the Series 2017 A Bonds Reserve Account whenever and as long as the amount deposited therein shall be equal to the Series 2017 A Bonds Reserve Requirement.

(5) The District shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, a sum equal to 2.5% of the Gross Revenues each month (as previously set forth in the Prior Resolutions and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the District or of the Depository Bank and shall be invested and reinvested in accordance with the Resolution. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Monies in the Series 2017 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2017 A Bonds as the same shall become due, whether by maturity or redemption prior to maturity. Amounts in the Series 2017 A Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2017 A Bonds when due, when amounts in the Series 2017 A Bonds Sinking Fund are insufficient therefor and for no other purpose.

The District shall not be required to make any further payments into the Series 2017 A Bonds Sinking Fund or the Series 2017 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of Series 2017 A Bonds issued pursuant to the Resolution then Outstanding, plus the amount of interest due or thereafter to become due on the Series 2017 A Bonds then Outstanding.

As and when Additional Parity Bonds ranking on a parity with the Series 2017 A Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such Additional Parity Bonds and accomplish retirement thereof at or before maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirements therefor.

The payments into the Series 2017 A Bonds Sinking Fund shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments shall be made on the next succeeding business day, and all such payments shall be remitted to the Bond Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of the Resolution.

The District shall restore any withdrawals from the Series 2017 A Bonds Reserve Account which have the effect of reducing the assets therein below the Series 2017 A Bonds Reserve Requirement, from the first Net Revenues available after all required payments have been made in full in the order set forth above.

Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2017 A Bonds in accordance with the respective principal amounts then Outstanding.

The Bond Commission has been designated as the fiscal agent for the administration of the Series 2017 A Bonds Sinking Fund and Series 2017 A Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Bond Commission from the Revenue Fund by the District at the times provided in the Resolution.

Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System. See "APPENDIX G – THE RESOLUTION."

Enforcement of Collections

The District covenants in the Resolution to diligently enforce and collect all fees, rates, rentals or other charges for the services and facilities of the System and take all steps, actions and proceedings for the enforcement and collection of such fees, rates, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia. The District further covenants and agrees in the Resolution that it will, to the full extent permitted by law and the rules and regulations promulgated by the PSC, discontinue and shut off the services of the System and any services or facilities of the water system, if owned by the District or pursuant to a termination agreement within the utility providing such water service to the premises, to all delinquent users of services of the System and will not restore the services of the System until all delinquent charges for the services and facilities of the System, plus reasonable interest and penalty charges for the restoration of service, has been fully paid. See "APPENDIX G – THE RESOLUTION."

Additional Parity Bonds

So long as any of the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the respective Resolutions relating to the Prior Bonds shall be applicable. In addition, no parity bonds, payable out of the Net Revenues of the System, shall be issued after the issuance of the Series 2017 A Bonds, except under the conditions and in the manner hereinafter provided.

All such additional parity Bonds (collectively, "Additional Parity Bonds") issued hereunder shall be on a parity in all respects with the Series 2017 A Bonds.

No such Additional Parity Bonds shall be issued except for the purposes of financing the costs of the design, acquisition, construction and/or equipping of extensions, additions, betterments or improvements to the System, refunding all or a portion of one or more series of the Series 2017 A Bonds, the Prior Bonds or Additional Parity Bonds, or to pay claims which may exist against the revenues or facilities of the System, hereinafter issued or all of such purposes.

So long as the Series 2017 A Bonds are Outstanding, no such Additional Parity Bonds shall be issued at any time, however, unless and until Issuer has procured a written statement by an

Independent Certified Public Accountant reciting the conclusion that the Net Revenues actually derived from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such Additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 2 Fiscal Years immediately following the Fiscal Year in which such Additional Parity Bonds are issued, if any, shall not be less than 115% of the Maximum Annual Debt Service on the following:

(1) The Bonds then Outstanding;

(2) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in the Prior Resolutions and the Resolution; and

(3) The Additional Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues" as that term is used in the computation provided in the above paragraph, shall include increased Net Revenues estimated to be derived from the improvements to be financed by such Additional Parity Bonds, if any, and any change in rates and charges adopted by the Issuer and approved by the PSC, the period for appeal of which has expired prior to the date of delivery of such Additional Parity Bonds, whether or not such approved rates and charges are being charged and collected by the Issuer.

The term "Additional Parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the Net Revenues of the System on a parity with the Bonds. All covenants and other provisions of the Resolution (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2017 A Bonds, the Prior Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System and their source of and security for payment from said Net Revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in the Resolution required for and on account of such Additional Parity Bonds, in addition to the payments required for the Bonds theretofore issued pursuant to the Resolution.

Additional Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to the lien on and source of and security for payment from such revenues, with the Bonds.

No Additional Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in the Resolution and the Prior Resolutions with respect to the Bonds then Outstanding, and any other payments provided for in the Resolution and the Prior Resolutions, shall have been made in full as required to the date of issuance of such Additional Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of the Resolution and the Prior Resolutions.

Provided, however, that if the audit by an Independent Certified Public Accountant for the Issuer for the Fiscal Year immediately preceding the proposed issuance of Additional Parity Bonds states that the Issuer was not in compliance with the rate covenant in the Resolution for the year being audited

and the Issuer has, as required by the Resolution, adopted a resolution implementing rates and charges sufficient to comply with such rate covenant, such statement in the most recent audit shall not be considered a violation of the covenants, agreements and terms of the Resolution, so as to prevent the Issuer from issuing Additional Parity Bonds under the Resolution. See "APPENDIX G – BOND RESOLUTION."

Sale of the System

So long as the Prior Bonds are outstanding, the District shall not sell, mortgage, lease or otherwise dispose of or encumber the System except as provided in the Prior Resolutions. Additionally, so long as the Series 2017 A Bonds are Outstanding, the System may be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, or to defease the pledge created by the Resolution and the Prior Resolutions. The proceeds from such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Commission for deposit in the respective Sinking Funds, and otherwise as prescribed by the Resolution. Any balance remaining after such defeasance shall be remitted to the District by the Commission unless necessary for the payment of other obligations of the District payable out of the revenues of the System.

The foregoing provision notwithstanding, the District shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $500,000, the District may provide for the sale of such property. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $500,000 but not in excess of $1,000,000 the District, by resolution duly adopted, shall determine that the property is no longer necessary, useful or profitable in the operation of the System and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition off such property which are less than $500,000 may be deposited in the Revenue Fund or the Renewal and Replacement Fund, at the sole discretion of the District. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $500,000 and not in excess of $1,000,000, shall be deposited by the District into Sinking Funds for the Bonds or the Renewal and Replacement Fund, at the sole discretion of the District. Such payment of such proceeds into the Sinking Funds for the Bonds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of the Resolution.

No sale, lease or other disposition of the properties of the System shall be made by the District if the proceeds to be derived therefrom, shall be in excess of $1,000,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% of the par amount of the Bonds then Outstanding. The District shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System. See "APPENDIX G – THE RESOLUTION."

THE DISTRICT AND THE SYSTEM

Bradley Public Service District is a public service district, public corporation and political subdivision of the State of West Virginia located in Raleigh County of said State. The District's Public Service Board (the "Board") is composed of three members appointed by The County Commission of Raleigh County, each serving a six-year term. Annually, at the first calendar year meeting, the Act requires the Board elect officers including a Chairman, a Secretary and a Treasurer for the then current calendar year.

The System is a sewer utility located in Raleigh County, West Virginia operated in accordance with the Act and the rules and regulations of the PSC. Under the Act, the Board of the District has the authority to establish and maintain rates and charges for the use of services of the System, subject to approval by Public Service Commission of West Virginia, and to issue revenue bonds on behalf of the District for the purpose of financing the costs of extensions, additions, betterments and improvement to the System or to refinance bonds issued by the District to finance such extensions, additions, betterments and improvements.

For additional information regarding Raleigh County, see "APPENDIX A – ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING RALEIGH COUNTY, WEST VIRGINIA," herein. For information regarding the District and the System, see "APPENDIX B – THE DISTRICT AND THE SYSTEM," herein.

ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS*

The following table sets forth for each Fiscal Year the amounts payable from Net Revenues for principal of and interest on the Prior Bonds and the Series 2017 A Bonds.

Fiscal Year	Series 2002A	Series 2005A	Series 2017*	Total*
6/30/2018	9,768	206,423	184,025	400,216
6/30/2019	9,768	206,423	213,045	429,236
6/30/2020	9,768	206,423	210,075	426,266
6/30/2021	9,768	206,423	216,700	432,891
6/30/2022	9,768	206,423	213,075	429,266
6/30/2023	9,768	206,423	214,450	430,641
6/30/2024	9,768	206,423	214,950	431,141
6/30/2025	9,768	206,423	210,300	426,491
6/30/2026	9,768	206,423	215,650	431,841
6/30/2027	9,768	206,423	215,700	431,891
6/30/2028	9,768	206,423	215,600	431,791
6/30/2029	9,768	206,423	219,475	435,666
6/30/2030	9,768	206,423	218,000	434,191
6/30/2031	9,768	206,423	216,350	432,541
6/30/2032	9,768	206,423	219,525	435,716
6/30/2033	7,286	206,423	217,350	431,059
6/30/2034	-	206,423	-	206,423
6/30/2035	-	206,423	-	206,423
6/30/2036	-	206,423	-	206,423
6/30/2037	-	51,596	-	51,596
Total	$ 153,806	$ 3,973,633	$ 3,414,270	$ 7,541,709

*Preliminary. Subject to Change.

INVESTMENT CONSIDERATIONS

Net Revenue Pledge

The Series 2017 A Bonds are secured solely by the Net Revenues of the System. There can be no guarantee that current rates of the System will always produce revenue sufficient to first pay the operating expenses of the System and then pay the debt service on the Series 2017 A Bonds and the Prior Bonds. The District has covenanted in the Resolution to raise the rates of the System if the Net Revenues of the System are not sufficient to provide 115% coverage of the maximum annual debt service of the Series 2017 A Bonds, and all bonds issued on a parity with the Series 2017 A Bonds including the Prior Bonds and any hereinafter issued Additional Parity Bonds, provided, however, that in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2017 A Bonds Reserve Account and the respective reserve accounts for the Prior Bonds and any hereinafter issued Additional Parity Bonds, such balance each year need only equal at least 110% of the maximum amount required in any fiscal year for payment of principal of and interest on the Series 2017 A Bonds and all other obligations on a parity therewith, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. Currently under State law any modification of the District's rates and charges must be approved by the PSC and may be modified by the PSC. Further discussion of rate review by the PSC is set forth below.

Net Revenues sufficient to pay the debt service on the Series 2017 A Bonds, the Prior Bonds and any hereinafter issued Additional Parity Bonds depend on the retention of current customers by the District. An unexpected loss of customers by the District and corresponding reduction in sewer usage could have an adverse effect on the ability of the District to make the required payments on the Series 2017 A Bonds. Additionally, a significant reduction in the amount of water used by customers of the District and corresponding reduction in sewer usage may also have an adverse impact on the District's ability to make the required payments on the Series 2017 A Bonds.

As of the end of its fiscal years ending June 30, 2012, June 30, 2013, June 30, 2014 and June 30, 2016, the District was not in compliance with the covenants set forth in the bond resolutions authorizing the issuance of the Prior Bonds and the Refunded Bonds requiring the District to maintain and charge rates sufficient to provide for all operating expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on its outstanding bonds, provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit in the reserve accounts for such bonds, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on its outstanding bonds. Such noncompliance constituted an event of default under the respective bond resolutions relating to such outstanding bonds. However, the holders of such outstanding bonds have not exercised any available remedies as a result of such default, which available remedies are similar to the remedies set forth in the Resolution included in Appendix G attached hereto. Based upon the notes to the District's Financial Statements for the Fiscal Years ended June 30, 2015 and June 30, 2014, each of the reserve accounts for the Prior Bonds and the Refunded Bonds was funded to the required amount as of June 30, 2015. The District has established rates effective for all bills rendered by the District on and after November 21, 2016, that have been approved by the PSC that, based upon the Recommended Decision of the PSC approving such rates, will provide debt service coverage of 116.22% for the first 29 months and 110.06% thereafter. See "APPENDIX B – THE DISTRICT AND THE SYSTEM – Summary of Historical Revenues and Expenses."

Future Legislation

Current or future legislative proposals, if enacted into law, may cause interest on the Series 2017 A Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent holders of

the Series 2017 A Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals may also affect the market price for, or marketability of, the Series 2017 A Bonds. Prospective purchasers of the Series 2017 A Bonds should consult their own tax advisors regarding any such pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

It is not an event of default on the Series 2017 A Bonds if legislation is enacted reducing or eliminating the exclusion of interest on state and local government bonds, such as the Series 2017 A Bonds, from gross income for federal income tax purposes.

The Public Service Commission of West Virginia

In West Virginia, public service districts are subject to regulatory oversight by the PSC. Pursuant to Chapter 16, Article 13A of the West Virginia Code, most public service districts must seek PSC approval for most actions. Moreover, pursuant to West Virginia Code Section 24-2-11, for projects that are outside of "the usual course of business," most utilities, including most public service district, must obtain a certificate of public convenience and necessity prior to proceeding to construction.

The PSC's regulatory oversight over public service districts has been reduced as the result of legislation enacted by the West Virginia Legislature in March of 2015 (the "2015 Legislation"). Among other things, the 2015 Legislation amended: (i) West Virginia Code Section 16-13A-25 to give all public service districts "plenary power to borrow money, enter into contracts for the provision of engineering, design or feasibility studies, issue or contract to issue revenue bonds . . . ."; (ii) West Virginia Code Section 24-2-11 to provide that a public service district providing water, sewer and/or stormwater services and having at least 4,500 customers and annual gross combined revenues of $3 million or more is not required to obtain a certificate of public convenience and necessity from the PSC for the construction of public utility assets which are outside of "the usual course of business"; and (iii) West Virginia Code Section 16-13A-9 to provide that a public service district "with at least 4,500 customers and annual combined gross revenue of $3 million or more from its separate or combined services" may establish its rates without regulatory oversight by the PSC.

Since the District does not meet the customer and gross revenue thresholds referenced in (ii) and (iii) above, the District is still required to obtain a certificate of public convenience and necessity from the PSC prior to the construction of additions, betterments and improvements for the System. However, the District may issue bonds without PSC oversight.

With respect to those issues related to the District over which the PSC has regulatory oversight, the PSC has two levels of review. Most cases are initially assigned to an administrative law judge ("ALJ") for decision. The PSC employs a "staff" comprised of engineers, lawyers, and financial analysts (the "Staff") to review cases and make recommendations. The District is also permitted to make recommendations, as are other parties who are granted "intervenor" status. The ALJ may conduct an evidentiary hearing, at which evidence is presented and witnesses for all parties may be cross-examined, after which a recommended decision is issued. Any party to the underlying proceeding, including a party granted intervenor status, may take exception to the recommended decision of the ALJ, in which case the matter is referred to the full PSC for decision.

The PSC is comprised of three individuals appointed by the Governor, and confirmed by the State Senate, for staggered six-year terms. West Virginia Code Section 24-1-3 provides that one of the PSC Commissioners must be a lawyer licensed in West Virginia. The current composition of the PSC may be found at http://www.psc.state.wv.us/Bios/default.htm. The PSC also employs lawyers and financial analysts who work specifically for the PSC, and are distinctly separate from the Staff.

PSC Regulatory Oversight of Rate Increases

Public service districts with over $1 million in annual revenue, such as the District, need to file a financial report, known as a Tariff Rule 42 exhibit, with the PSC in order to change rates. Rule 42 exhibits are based upon a utility's most recently filed PSC annual report. If a PSD is delinquent in filing its annual report, it may be ineligible to file a rate increase application. The PSC has three different rate change processes – a 42R, a 42T or a 42A.

The 42R process emerged following the passage of legislation in the 2014 regular session of the West Virginia Legislature. Under the 42R process, a PSD may place increased rates into effect upon filing a Tariff Rule 42 exhibit with the PSC provided the PSD notifies the PSC 30 days' in advance of making the filing and publishes notice in the counties it serves two weeks in advance of making the filing with the PSC. The filed rates are subject to refund in the event the PSC in its review of the application determines the filed rates are excessive. There is no statutory time limit within which the PSC must issue a final order in a 42R case, and this type of case has taken about one year on average for the PSC to issue a final order. The 42R process is the quickest way for a PSD to improve cash flow, however the risk of being subject to a refund deters some PSDs from filing this type of application.

Under the 42T process, a PSD can file with the PSC a proposed tariff that includes increased rates. As with the 42R process, the District must provide the PSC with 30 days' notice of its intent to file. After expiration of the 30-day notice of intent period, the District may file a proposed tariff with the PSC that includes increased rates. Pursuant to West Virginia Code Section 24-2-4a, the proposed tariff can take effect no sooner than 30 days after the proposed tariff is filed. However, West Virginia Code Section 24-2-4a also provides that the PSC may suspend the proposed tariff prior to its effective date. In most instances, the PSC will not allow the proposed tariff to take effect and it will enter an order suspending the tariff. Based on the size of the District, the suspension period is 120 days. The PSC consistently issues final orders 150 days after a 42T application is filed.

Under the 42A process a PSD provides the PSC with 30 days' advance notice of its intent to file a rate change application, and then files a Rule 42 exhibit, but the PSD does not propose an effective date for its rates. There is no statutory time frame within which the PSC must issue a final order. 42A cases typically take eight months to conclude.

In all of these types of rate cases the PSC or the presiding ALJ will establish a procedural schedule. This schedule will include a due date for Staff to file its financial analysis and recommended rates. The schedule may also include a due date for written testimony (direct and rebuttal) to be filed by the District, Staff, and any intervenors. If there is a disagreement among the parties regarding any issue in the case, the PSC or the presiding ALJ will usually set the matter for hearing. After the hearing, the parties may submit briefs in support of their position(s). Ultimately, the PSC or presiding ALJ will issue a decision within statutory time limits, if there are any.

With any rate change, the District will not begin collecting increased revenues for approximately 45 to 60 days after a rate change goes into effect.

Potential Delays in Effective Date of Rates

A final decision of the PSC may be appealed to the Supreme Court of Appeals of West Virginia, which court has no statutory time frame within which to render a decision. The filing of an appeal with the Supreme Court does not stay the effectiveness of a PSC order unless a bond if filed with the appeal, which is very unusual. While a party does have the right to appeal a PSC decision, the Supreme Court of Appeals of West Virginia has "'previously held, in deference to the Commission's expertise, that the Court will not substitute [its] judgment for that of the Commission on controverted evidence. However, findings of fact made by the Commission will be overturned as clearly wrong when there is no substantial evidence to support them.'" *Jefferson Utils., Inc. v. Pub. Serv. Comm'n of W. Va.*, 227 W.

Va. 589, 595, 712 S.E.2d 498, 504 (2011) (quoting *Chesapeake and Potomac Tel. Co. of W. Va. v. Pub. Serv. Comm'n of W. Va.*, 171 W. Va. 494, 498, 300 S.E.2d 607, 611 (1982)). In other words, the court gives significant deference to decisions of the PSC. PSC -approved rates may be charged (provided that the applicable suspension period has ended) during an appeal to the Supreme Court of Appeals of West Virginia. If the appealing party prevails and new rates are established by the court, the new rates apply prospectively.

Resale utilities are required to obtain authorization from the PSC to pass through any increase in bulk rates. Traditionally, such increases are sought by resale customers after the rates for the selling utility go into effect, which means no assurance exists that resale customers will have sufficient rates to begin paying the increased resale rates as of the effective date. As a result, resale customers may not be in a position to begin charging the new resale rates as soon as the rates go into effect, which ultimately affects the ability of resale customers to remain current with the selling utility. The PSC typically approves these pass through rate increases within 90 days of filing.

Test Year

To support proposed increased rates, the regulations of the PSC require the District to file "financial justification" for the proposed increased rates. This financial justification must be based on financial data from the most recent actual audited or finally closed 12-month period, also known as a "test year." Events that occur outside the test year are not generally permitted in the rate adjustment.

Reliance on "Known and Measurable" Adjustments

When considering adjustments to revenue or expenses occurring outside the test year, the PSC's regulations require that the need for, and amount of, such adjustments be based on information that is "known and measurable." It must be certain that the adjustment will occur, and the amount of the adjustment must be defined. By way of example, even if a utility can demonstrate a consistent year-over-year drop in customers, the PSC generally will not allow rates to include consideration of continuing declines in revenue because the anticipated decline is not "known and measurable."

As a result of the requirement that the support for adjustments be "known and measurable," the PSC will generally not allow multi-year rate increases to address anticipated inflation or drops in customer usage. As a result, the District must file a tariff with proposed increased rates whenever increased costs or decreased revenues necessitate a rate increase.

Emergency Rate Increase

West Virginia Code Section 24-2-4a permits a utility to request "emergency rates" in a 42T or 42A proceeding if it is in "financial distress." Emergency rates are typically approved 30 days after a filing is made. The PSC continues to process the case to develop final rates according to its ordinary timeline. Financial distress has been defined by the PSC to mean the utility is unable to pay operation and maintenance expenses and the principal and interest on the utility's debt obligations. Generally, emergency rates cannot be obtained to meet coverage requirements in bond documents, but the final rates will be established to meet coverage requirements.

TAX MATTERS

General

The following discussion of "Tax Matters" is a brief discussion of certain income tax matters with respect to the Series 2017 A Bonds under existing applicable law. It does not purport to deal with all aspects of taxation that may be relevant to the owner of a bond. Prospective investors, particularly those

who may be subject to special rules, are advised to consult their own tax advisors regarding the tax consequences of owning and disposing of the Series 2017 A Bonds.

Federal Income Tax Exemption of the Series 2017 A Bonds

In the opinion of Steptoe & Johnson PLLC, Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2017 A Bonds (i) is excludable from gross income of the holders thereof for Federal income tax purposes, assuming compliance with certain provisions described herein pertaining to the Internal Revenue Code of 1986, as amended (the "Code"); and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations. It should be noted, however, that for the purpose of calculating the alternative minimum tax on certain corporations (as defined for federal income tax purposes), such interest is taken into account as an adjustment to current earnings of such corporations. A complete copy of the proposed form of Bond Counsel Opinion for the Series 2017 A Bonds is set forth in APPENDIX D.

Assumed Compliance with Certain Covenants and Federal Tax Requirements

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2017 A Bonds. The District has covenanted to comply with certain restrictions designed to ensure that interest on the Series 2017 A Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Series 2017 A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2017 A Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Series 2017 A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2017 A Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Series 2017 A Bonds. Prospective purchasers of Series 2017 A Bonds are urged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

The tax status of the Series 2017 A Bonds could be affected by post-issuance events. There are various requirements of the Code that must be observed or satisfied after the issuance of the Series 2017 A Bonds in order for the Series 2017 A Bonds to qualify for, and retain, tax-exempt status. These requirements include those relating to use of the proceeds of the Series 2017 A Bonds, use of the facilities financed and refinanced by the Series 2017 A Bonds, investment of bond proceeds, and the rebate of so-called excess arbitrage earnings. Compliance with these requirements is the responsibility of the District.

The Internal Revenue Service ("IRS") conducts an audit program to examine compliance with the requirements regarding tax-exempt status. If the Series 2017 A Bonds become the subject of an audit, under current IRS procedures, the District would be treated as the taxpayer, and the owners of the Series 2017 A Bonds would have limited rights to participate in the audit process. The initiation of an audit with respect to the Series 2017 A Bonds could adversely affect the market value and liquidity of the Series 2017 A Bonds, even though no final determination about the tax-exempt status would have been made. If an audit were to result in a final determination that the Series 2017 A Bonds do not qualify as tax-exempt obligations, such a determination could be retroactive in effect to the date of issuance of the Series 2017 A Bonds.

Certain requirements and procedures contained or referred to in the Resolution and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Series 2017 A Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any obligations, or the interest

thereon, if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Steptoe & Johnson PLLC.

Qualified Tax-Exempt Obligations

The District has designated the Series 2017 A Bonds as a "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. The District has represented that it does not anticipate issuing more than $10 million in aggregate principal amount of obligations the interest on which is excludable from gross income for federal income tax purposes (excluding, however, obligations described in Section 265(b)(3)(C)(ii) of the Code) in 2017. In the opinion of Bond Counsel, based on the foregoing the Series 2017 A Bonds are "qualified tax-exempt obligations" and the provisions of the Code which disallow all deductibility of interest expense incurred by financial institutions on debt incurred or continued to carry most tax-exempt obligations does not apply to the Series 2017 A Bonds; accordingly, 80% of the interest expense of a financial institution incurred for the purpose of purchasing or carrying the Series 2017 A Bonds is deductible for federal income tax purposes.

Original Issue Discount

As shown on the inside cover page of this Official Statement, the initial public offering price of the Series 2017 A Bonds maturing on _____, 20___, _____, 20____ and _____, 20____ (collectively, the "Discount Bonds") is less than that amount payable on such Discount Bonds at maturity. The difference between the initial public offering price at which such Discount Bonds were sold and the amount payable at maturity constitutes an original issue discount ("OID"). In the case of any original holder of a Discount Bond, the amount of the OID which is treated as having accrued with respect to such Discount Bond is added to the cost basis of the holder in determining, for federal income tax purposes, gain or loss upon its disposition (including its sale, redemption or payment at maturity). Bond Counsel is of the opinion that amounts received upon such disposition that are attributable to accrued OID will be treated as tax-exempt interest, rather than as taxable gain for federal income tax purposes.

Interest in the form of OID is treated as compounding semiannually on days which are determined by reference to the maturity date of the Discount Bonds. The amount of OID that is treated as having accrued in respect of a Discount Bond for any particular semiannual compounding period is equal to the difference between the product of (a) one-half of the yield for the Discount Bonds (adjusted as necessary for an initial short period) and (b) the tax basis of the Discount Bond during such period. For purposes of the preceding sentence, the tax basis of the Discount Bond, if held by an original purchaser, can be determined by adding to the initial public offering price of such Discount Bond the OID that is treated as having accrued during all prior semiannual compounding periods. If a Discount Bond is sold or otherwise disposed of between semiannual compounding dates, the OID that would have accrued for that semiannual compounding period for Federal income tax purposes is to be apportioned in equal amount among the days in such compounding period.

Owners of Discount Bonds should consult their own tax advisors with respect to the determination for Federal income tax purposes of OID accrued upon sale or redemption of such Discount Bonds, and with respect to the state and local tax consequences of owning such Discount Bonds.

Amortizable Premium

Amortizable premium is determined with reference to the basis of a debt obligation with respect to the owner thereof and the amount payable at maturity or earlier redemption of such debt obligation. The amortizable bond premium in each year includes the excess of the owner's adjusted basis at the beginning of such owner's taxable year over the amount received or to be received at maturity or earlier redemption of the debt obligation. The Series 2017 A Bonds maturing on _____, 20____, _____, 20____ and _____, 20___ (collectively, "OIP Bonds"), are being sold with amortizable premium ("original issue premium" or "OIP"). Under current law, the OIP for OIP Bonds must be amortized on an

annual basis by the holder thereof. The amount of OIP amortized each year will not be deductible for Federal income tax purposes. Further, Section 1016 of the Code requires that the amount of annual amortization for the OIP Bonds be deducted annually from the holder's tax basis in such OIP Bonds. This reduction in a holder's tax basis will affect the amount of capital gain or loss to be recognized by the holder when the OIP Bonds are sold or redeemed prior to maturity.

Owners of OIP Bonds should consult their tax advisors with respect to the determination and treatment of amortizable premium for Federal income tax purposes, and with respect to the state and local tax consequences of owning such OIP Bonds.

Information Reporting and Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Series 2017 A Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient. In any event, backup withholding does not affect the excludability of the interest on the Series 2017 A Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to the backup withholding should be allowed as a refund or a credit against any owner's federal income tax once the required information is furnished to the IRS.

State and Local Income Tax Exemption

In the opinion of Bond Counsel, under the Act, as presently written and applied, the Series 2017 A Bonds are exempt from taxation by the State of West Virginia and other taxing bodies of the State.

Individual Circumstances

Although Bond Counsel is of the opinion that interest on the Series 2017 A Bonds is excludable from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2017 A Bonds may otherwise affect an owner's federal liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Please be advised that, except as set forth above, Bond Counsel's opinion does not address, and Bond Counsel expresses no opinion with respect to, certain collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Series 2017 A Bonds. Prospective purchasers of the Series 2017 A Bonds should consult their own tax advisors as to such consequences.

Tax Changes

Legislation has been proposed in the past, and may be proposed again in the future, to eliminate the tax-exempt status of governmental bonds issued to finance public facilities or to limit the extent of the current tax advantages available for tax exempt bonds or to limit the use of tax-exempt bonds. Any such limitation could reduce the District's ability to finance future capital needs of the District. The effect on the District of proposed laws and regulations and future changes in federal and state laws and policies cannot be fully or accurately determined at this time.

Current and future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Series 2017 A Bonds to be subject, directly or indirectly, to federal income taxation or cause the interest on the Series 2017 A Bonds to be subject to or not exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of the Series 2017 A Bonds. Prospective purchasers of the Series 2017 A Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2017 A Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District or about the effect of future changes in the Code, the application or regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel Obligations

Bond Counsel's engagement with respect to the Series 2017 A Bonds ends with the issuance of the Series 2017 A Bonds and, unless separately engaged, Bond Counsel is not obligated to defend the District or the beneficial owners regarding the tax-exempt status of the Series 2017 A Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the District and its appointed counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of the Series 2017 A Bonds would be difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2017 A Bonds for audit, or the course or result of such audit, or an audit of tax-exempt obligations presenting similar tax issues may affect the market price for, or the marketability of, the Series 2017 A Bonds, and may cause the District or the beneficial owners to incur significant expense.

Bond Counsel's opinions represent its legal judgment based in part upon the representations and covenants referenced therein and its review of existing law, but are not a guarantee of result or binding on the IRS or the courts. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may come to Bond Counsel's attention after the date of its opinions or to reflect any changes in law or the interpretation thereof that may occur or become effective after such date.

APPROVAL OF LEGALITY

Legal matters incident to the authorization, sale and issuance of the Series 2017 A Bonds are subject to the unqualified approving opinion of Steptoe & Johnson PLLC, Charleston, West Virginia, Bond Counsel. Steptoe & Johnson PLLC, Charleston, West Virginia, as counsel to the District, will pass upon certain legal matters for the District. Bowles Rice LLP, Charleston, West Virginia, as Counsel to the Underwriter, will pass upon certain legal matters for the Underwriter.

ABSENCE OF MATERIAL LITIGATION

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body, now pending or, to the best knowledge of the District, threatened or affecting the District (or, to the District's knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the District's financial position or on the validity of the

Series 2017 A Bonds, the Resolution or any agreement to which the District is a party and which is a part of the issuance of the Series 2017 A Bonds.

NEGOTIABLE INSTRUMENTS

Pursuant to State law, the Series 2017 A Bonds shall be, and shall be treated as, negotiable instruments for all purposes.

UNDERWRITING

Crews & Associates, Inc., as Underwriter, has agreed, subject to certain conditions, to purchase the Series 2017 A Bonds, at an aggregate purchase price of $_____ ($_____ minus Underwriter's discount of $_____, [and plus/minus a net original issue premium/discount] of $_____). The Underwriter will be obligated to purchase all of the Series 2017 A Bonds if any are purchased. The Series 2017 A Bonds may be offered and sold to certain dealers (including investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the public offering price stated on the cover page of this Official Statement, and such public offering price also may be changed without prior notice, from time to time, by the Underwriter.

FINANCIAL STATEMENTS

Included herein as "APPENDIX C—AUDITED FINANCIAL STATEMENTS FOR FISCAL YEARS ENDING JUNE 30, 2016 AND JUNE 30, 2015," are the audited financial statements of the District as of and for the fiscal years ended June 30, 2016 and June 30, 2015.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of the Owners of the Series 2017 A Bonds, in accordance with the Continuing Disclosure Agreement which shall be delivered in substantially the form attached hereto as APPENDIX E, to provide Annual Financial Information not later than the last day of the fiscal year (presently June 30) immediately following the end of the District's fiscal year for which disclosure is due, commencing with the report for the fiscal year ended June 30, 2017, and to provide notice of the occurrence of the enumerated events listed therein. The Annual Information and each notice of enumerated events will be filed electronically by United Bank, Inc., Charleston, West Virginia, as dissemination agent, on behalf of the District, with the Electronic Municipal Markets Access system ("EMMA").

This continuing disclosure obligation is being undertaken to comply with Rule 15c2-12 (the "Rule") promulgated by the Securities Exchange Commission. The District has agreed to give notice in a timely manner to EMMA of any failure to supply the required information. However, any such failure will not constitute a default under the terms of the Series 2017 A Bonds. Under the Continuing Disclosure Agreement, the sole remedy for such failure is to seek an order for specific performance. See "APPENDIX E–FORM OF CONTINUING DISCLOSURE AGREEMENT." Registered Owners may contact the District's Office Manager at P.O. Box 290, 6064 Robert C. Byrd Drive, Bradley, West Virginia 25818-0290, (304) 877-5202, for more information.

RATINGS

The Series 2017 A Bonds are not rated.

MISCELLANEOUS

The foregoing summaries, explanations and quotations do not purport to be complete and are expressly made subject to the exact provisions of the complete documents. Purchasers are referred to the Act and the Resolution for full and complete statements of their provisions.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representation of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or owners of any of the Series 2017 A Bonds. The District has authorized the execution and distribution of this Official Statement.

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BRADLEY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

APPENDIX A

ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING RALEIGH COUNTY, WEST VIRGINIA

Bradley Public Service District (the "District") is located in Raleigh County, West Virginia. The seat of Raleigh County is the City of Beckley. Raleigh County is located in southern West Virginia, and is adjacent to Kanawha, Fayette, Summers, Mercer, Wyoming and Boone Counties, West Virginia.

The 2016 estimated population of Raleigh County was approximately 76,601 people. Below is a table representing Raleigh County's population and percentage of change from 2010 through 2016.

People & Income Overview (By Place of Residence)	Value	Rank in U.S.
Population (2016)	76,601	726
Growth (%) since 2010 Census	-2.9%	2,313
Households (2015)	31,274	679
Per Capita Personal Income (2015)	$35,324	2,030
Median Household Income (2015)	$38,564	2,542
Poverty Rate (2015)	19.9	756
High School Diploma or More - % of Adults 25+ (2015)	82.6%	2,183
Bachelor's Degree or More - % of Adults 25+ (2015)	18.3%	1,536

Source: US Census, City-Data.com, www.stats.indiana.edu/

Major communities within reasonable traveling distance of Raleigh County include:

Community Name	Approximate Distance (miles)
Greensboro, NC	141
Durham, NC	177
Charlotte, NC	177
Lexington-Fayette, KY	177
Columbus, OH	180
Pittsburgh, PA	196
Raleigh, NC	198
Cincinnati, OH	201
Akron, OH	229
Washington, DC	242

The following table represents the current labor force and employment data for Raleigh County and the State of West Virginia as of December for the years indicated:

Calendar Year	Area	Civilian Labor Force	Total Employment	Total Unemployment	Unemployment Rate
2016	West Virginia	771,800	732,500	39,300	5.1
	Raleigh County	28,780	27,150	1,630	5.7
2015	West Virginia	773,300	727,300	45,900	5.9
	Raleigh County	29,510	27,510	2,000	6.8
2014	West Virginia	772,300	725,700	46,600	6.0
	Raleigh County	30,240	28,220	2,020	6.7
2013	West Virginia	786,300	735,900	50,400	6.4
	Raleigh County	30,830	28,680	2,160	7.0
2012	West Virginia	799,700	741,700	58,100	7.3
	Raleigh County	32,130	29,630	2,500	7.8

Source: Workforce West Virginia

The table below lists the top 10 largest employers in Raleigh County, West Virginia as of March 2016:

Rank	Employers
1	Raleigh County Board of Education
2	Raleigh General Hospital, LLC
3	Wal-Mart Associates, Inc.
4	United States Department of Veterans Affairs
5	Appalachian Regional Healthcare
6	Alpha Natural Resources Co.
7	Cramer Security & Investigations, LLC
8	Federal Prison System
9	Little General Store, Inc.
10	Kroger

Source: Workforce West Virginia

APPENDIX B

THE DISTRICT AND THE SYSTEM

General

Bradley Public Service District (the "District") is a public corporation and public service district created under authority of The County Commission of Raleigh County, West Virginia (the "County Commission"), on December 11, 1962, pursuant to Chapter 16, Article 13A, Section 2 of the Code of West Virginia of 1931, as amended. The District's Public Service Board is composed of three members appointed by the County Commission. The District is responsible for providing sanitary sewerage collection and treatment services for an area containing approximately 8.794 square miles located in northeastern Raleigh County, West Virginia. The District serves over 1,588 customers.

The District operates one wastewater treatment plant, 3 pumping stations and 1 grinder pumping station. Approximately 4 field personnel are responsible for over 44 miles of gravity collection mains and 1.4 miles of force collection mains.

The rated average daily capacity of the System is 1.0 MGD. The rated peak demand of the System is 1.14 MGD and the actual average daily usage is .28 MGD resulting in the difference between the rated peak demand and average daily usage of .86 MGD.

The District's Board members and their offices, terms and occupations are as follows:

Member		
Daymon Sweeney, Chairman	1/22/2013–12/31/2018	Owner/Operator of Daymon's Snacks
Dorothy Redden, Secretary	1/20/2016-12/31/2022	President of Redden Wood Insurance Agency
Dwight Reggi, Treasurer	12/16/2014-12/31/2020	General Manager (retired) Bradley PSD

The following sets out an overview of the System.

The District has operated a sewer system, including, without limitation, a wastewater treatment plant, since 1980.

Sewer Usage

Annual Usage History by Source – Bradley Public Service District

Year Ended June 30	Residential Gallons	Commercial Gallons	Industrial Gallons	Public Authority Gallons	Resale Gallons	Total Gallons
2016	58,308,000	42,432,000	0	0	0	100,740,000
2015	59,621,000	46,078,000	0	0	0	105,699,000
2014	61,122,000	42,180,000	0	0	0	103,302,000
2013	61,673,000	46,936,000	0	0	0	108,609,000
2012	62,572,000	48,117,000	0	0	0	110,689,000
2011	67,131,000	44,778,000	0	0	0	111,909,000
2010	68,393,000	42,349,000	0	0	0	110,742,000

Daily Consumption History by Source (MGD) - Bradley Public Service District

Year Ended June 30	Residential MGD	Commercial MGD	Industrial MGD	Public Authority MGD	Resale MGD	Total MGD
2016	0.1597	0.1163	0	0	0	0.2760
2015	0.1633	0.1262	0	0	0	0.2895
2014	0.1675	0.1156	0	0	0	0.2831
2013	0.1690	0.1286	0	0	0	0.2976
2012	0.1714	0.1318	0	0	0	0.3032
2011	0.1839	0.1227	0	0	0	0.3066
2010	0.1874	0.1160	0	0	0	0.3034

Customer History

Customer Count by Type - Bradley Public Service District

Year Ended June 30	Residential	Commercial	Industrial	Public Authority	Resale	Total
2016	1,449	143	0	0	0	1,592
2015	1,463	142	0	0	0	1,605
2014	1,461	140	0	0	0	1,601
2013	1,493	140	0	0	0	1,633
2012	1,476	141	0	0	0	1,617
2011	1,491	126	0	0	0	1,617
2010	1,501	115	0	0	0	1,616

Major Users

Top Ten Customers Measured by Volume and as a Percentage of Total Volume
July 2015 to June 2016
Volume Billed – 100,740
(000 omitted)

Customer	Volume	% of Volume
Cranberry Woods	8,580	8.52%
Appalachian Bible College	5,592	5.55%
Oakmont Green	3,611	3.58%
WV Crossroads Mall Realty LLC	2,808	2.79%
Sheets	1,506	1.49%
Days Inn	1,252	1.24%
Maplewood Apartments	926	0.92%
Bay Manor Apartments	923	0.92%
Bradley Elementary School	641	0.64%
Marsh Fork Elementary School	381	0.38%

Top Ten Customers Measured by Revenue and as a Percentage of Total Revenue
July 2015 to June, 2016
Amount Billed - $1,185,898

Customer	Revenue	% of Revenue
Cranberry Woods	$ 61,158.64	5.16%
Appalachian Bible College	40,751.44	3.44%
Oakmont Green	29,230.00	2.46%
WV Crossroads Mall Realty LLC	20,428.84	1.72%
Sheets	11,263.36	0.95%
Days Inn	9,470.84	0.80%
Maplewood Apartments	7,171.41	0.60%
Bay Manor Apartments	7,156.56	0.60%
Bradley Elementary School	5,123.00	0.43%
Marsh Fork Elementary School	3,280.00	0.28%

Certain Officers and Personnel

6 people are employed by the District. Scott Howell – General Manager, Fran L. Shelton – Office Manager, 3 field personnel/operators, and 1 office employee.

Rates

STEP 1 RATES
(Effective for a period of 29 months)

APPLICABILITY
Applicable within the entire territory served.

AVAILABILITY
Available for general domestic, commercial, industrial and sale for resale sewer service.

(I) RATES (customer with metered water supply)

First	3,000	gallons used per month	$12.71	per 1,000 gallons
Next	3,000	gallons used per month	$10.94	per 1,000 gallons
Next	14,000	gallons used per month	$9.10	per 1,000 gallons
All Over	20,000	gallons used per month	$7.22	per 1,000 gallons

(I) FLAT RATE CHARGE (Customers with non-metered water supply)
Equivalent of 4,000 gallons of water usage, $49.07 per month.

(I) MINIMUM CHARGE
No bill will be issued for less than $38.13 per month.

RETURNED CHECK CHARGE
A service charge equal to the actual bank fee assessed to the sewer utility up to a maximum of $25.00 will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

DISCONNECT/RECONNECT/ADMINISTRATIVE FEES
Whenever water service has been previously disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with Beckley Water Company, a disconnection fee of $25.00 shall be charged; or, in the event the delinquent sewer bill is collected by the Beckley Water Company or Raleigh County Public Service District, an administrative fee of $20.00 shall be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with Beckley Water Company or Raleigh County Public Service District is reconnected, a reconnection fee of $20.00 shall be charged.

SECURITY DEPOSIT

Not to exceed two-twelfths (2/12) of the average annual usage of the applicant's specific customer class, or fifty dollars, whichever is greater. This fee may be changed by applicable statutory provisions.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent will be added to the net current amount unpaid. This delayed payment penalty is not interest and is only to be collected only once for each bill where it is appropriate.

TAP FEE

The following charge is to be made whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

(I) LEAK ADJUSTMENT

$1.47 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SURFACE OR GROUND WATER SURCHARGE

An additional amount shall be charged where surface or groundwater is introduced into the sanitary system where evidence of a violation exists.

Surcharge formula to be applied in cases where surface drainage is connected to the utility's sewer system.

(I) Indicates increase

APPLICABILITY

Whenever the utility has discovered that a customer's roof drain, downspouts, storm sewer, or other similar facilities conducting surface water has been connected to the utility's sewer system and such customer has failed to take appropriate action within thirty (30) days of receipt of a demand by the utility, in accordance with the Rules of the Public Service Commission to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

$$S=A \times R \times .0006233 \times C$$

S	=	The surcharge in dollars.
A	=	The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet.
R	=	The measured monthly rainfall, in inches.
.0006233	=	A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water.
C	=	The District's approved rate per thousand gallons of metered water usage.

The utility shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system. The surcharge shall be calculated and imposed for each month the condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules of the Public Service Commission of West Virginia.

STEP 2 RATES

(Effective After a Period of 29 Months)

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for general domestic, commercial, industrial and sale for resale sewer service.

(D) RATES (customer with metered water supply)

First	3,000	gallons used per month	$12.39	per 1,000 gallons
Next	3,000	gallons used per month	$10.65	per 1,000 gallons
Next	14,000	gallons used per month	$8.86	per 1,000 gallons
All Over	20,000	gallons used per month	$7.03	per 1,000 gallons

(D) FLAT RATE CHARGE (Customers with non-metered water supply)
Equivalent of 4,000 gallons of water usage, $47.82 per month.

(D) MINIMUM CHARGE
No bill will be issued for less than $37.17 per month.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the sewer utility up to a maximum of $25.00 will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

DISCONNECT/RECONNECT/ADMINISTRATIVE FEES

Whenever water service has been previously disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with Beckley Water Company, a disconnection fee of $25.00 shall be charged; or, in the event the delinquent sewer bill is collected by the Beckley Water Company or Raleigh County Public Service District, an administrative fee of $20.00 shall be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with Beckley Water Company or Raleigh County Public Service District is reconnected, a reconnection fee of $20.00 shall be charged.

(D) Indicates decrease

SECURITY DEPOSIT

Not to exceed two-twelfths (2/12) of the average annual usage of the applicant's specific customer class, or fifty dollars, whichever is greater. This fee may be changed by applicable statutory provisions.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent will be added to the net current amount unpaid. This delayed payment penalty is not interest and is only to be collected only once for each bill where it is appropriate.

TAP FEE

The following charge is to be made whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

LEAK ADJUSTMENT

$1.47 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SURFACE OR GROUND WATER SURCHARGE

An additional amount shall be charged where surface or groundwater is introduced into the sanitary system where evidence of a violation exists.

Surcharge formula to be applied in cases where surface drainage is connected to the utility's sewer system.

APPLICABILITY

Whenever the utility has discovered that a customer's roof drain, downspouts, storm sewer, or other similar facilities conducting surface water has been connected to the utility's sewer system and such customer has failed to take appropriate action within thirty (30) days of receipt of a demand by the utility, in accordance with the Rules of the Public Service Commission to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

$$S=A \times R \times .0006233 \times C$$

S	=	The surcharge in dollars.
A	=	The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet.
R	=	The measured monthly rainfall, in inches.
.0006233	=	A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water.
C	=	The District's approved rate per thousand gallons of metered water usage.

The utility shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system. The surcharge shall be calculated and imposed for each month the condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules of the Public Service Commission of West Virginia.

Billing and Collections

The District renders a monthly bill to all of its customers. Payments are due 20 days after the billing date. If a bill remains unpaid beyond the due date, a 10 percent penalty is added to the delinquent account and delinquency procedures are initiated, including the mailing of termination notices and termination of service 60 days after the initial due date. Service on a delinquent account remains terminated until payment of the account is made. A disconnect/connect charge of $45.00 is required to reinstate a previously delinquent account.

The District has a policy of writing off accounts determined to be uncollectible.

Deferred payment plans are available for any residential customer who can demonstrate inability to pay a System bill in full and that service termination would be dangerous to such customer's health or safety.

System Budget and Expenditures

The District's staff prepares a draft budget for System operations for each Fiscal Year. The District's budget is compiled from this draft budget and submitted to the Board on or before May 10th of each year. The budget is required by state code and bond covenants to indicate operating expenditures and capital expenditures proposed for the ensuing fiscal year.

Method of Accounting

The District maintains its accounts pertaining to the System on an accrual basis and in accordance with the guidelines of the West Virginia Public Service Commission. The records of the District for the fiscal years ended June 30, 2012, June 30, 2013, June 30, 2014, June 30, 2015 and June 30, 2016 have been audited and are available for public inspection at the District.

Summary of Historical Revenues and Expenses

Summary Statement of Income and Expense (Fiscal Year Ended June 30)[1]

	Audited FY 2012	Audited FY 2013	Audited FY 2014	Audited FY 2015	Audited FY 2016	Projected FY 2017
Operating Revenues	1,220,720	1,224,755	1,221,750	1,233,957	1,212,274	1,229,000
Interest/Other Income	18,407	26,014	4,182	2,989	3,079	3,100
Total Cash	1,239,127	1,250,769	1,225,932	1,236,946	1,215,353	1,232,100
*Less: O&M Expenses	(722,296)	(668,037)	(707,406)	(656,394)	(683,726)	(656,000)
Cash Available for Debt Service	516,831	582,732	518,526	580,552	531,627	576,100
Debt Service Requirements	522,131	522,131	522,131	522,131	522,131	522,131
Remaining Cash	(5,300)	60,601	(3,605)	58,421	9,496	53,969
Debt Service Coverage	98.98%	111.61%	98.99%	111.07%	101.70%	110.34%

*O & M Expenses are net of depreciation & amortization

(1) Source: Lowe & Associates PLLC. The Projected FY 2017 was calculated by taking the District's 2.17% rate increase that was granted in November 2016, which would be approximately $25,000 per year, and taking 10 months of that figure ($17,000) and adding it to the prior year operating revenues (1,212,274 + $17,001 = $1,229,275). The Expenses were an estimate of taking an average of the prior two years' expenses.

As of the end of its fiscal years ending June 30, 2012, June 30, 2013, June 30, 2014 and June 30, 2016, the District was not in compliance with the covenants set forth in the bond resolutions authorizing the issuance of the Prior Bonds and the Refunded Bonds requiring the District to maintain and charge rates sufficient to provide for all operating expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on its outstanding bonds, provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit in the reserve accounts for such bonds, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on its outstanding bonds. Such noncompliance constituted an event of default under the respective bond resolutions relating to such outstanding bonds. However, the holders of such outstanding bonds have not exercised any available remedies as a result of such default, which available remedies are similar to the remedies set forth in the Resolution included in Appendix G attached hereto. Based upon the notes to the District's Financial Statements for the Fiscal Years ended June 30, 2015 and June 30, 2014, each of the reserve accounts for the Prior Bonds and the Refunded Bonds was funded to the required amount as of June 30, 2015. The District has

established rates effective for all bills rendered by the District on and after November 21, 2016, that have been approved by the Public Service Commission of West Virginia (the "PSC") that, based upon the Recommended Decision of the PSC approving such rates, will provide debt service coverage of 116.22% for the first 29 months and 110.06% thereafter.

Retirement System

The District is a member of the Public Employees Retirement System of the State of West Virginia. The District contributes 12.0% of covered employees' gross wages. Employee contributions are 4.5% of their wages for hired dates before July 1, 2015 and 6.0% of their wages for hired dates on and after July 1, 2015.

[LETTERHEAD OF STEPTOE & JOHNSON PLLC]

(Form of Opinion of Bond Counsel)

_____, 2017

Bradley Public Service District
Bradley, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Re: Bradley Public Service District
Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified)

Ladies and Gentlemen:

We have acted as bond counsel to Bradley Public Service District (the "Issuer") and in such capacity have examined a record of proceedings relating to the issuance by the Issuer of its $_____ aggregate principal amount of Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified) (the "Series 2017 A Bonds").

The Series 2017 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia including, particularly, Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Resolution duly adopted by the Public Service Board of the Issuer on May 17, 2017, as supplemented by a Supplemental Parameters Resolution duly adopted by the Public Service Board of the Issuer on May 17, 2017, and a Certificate of Determinations executed by the Chairman on _____, 2017 (collectively, the "Bond Legislation"), and are subject to all the terms and conditions of the Bond Legislation. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Bond Legislation.

The Series 2017 A Bonds are issued in fully registered form, are dated their date of original issuance, _____, 2017, mature on March 1 in the years and amounts (commencing March, 2018), and bear interest payable March 1 and September 1, commencing September 1, 2017, all as set forth in the Bond Legislation.

The Bond Legislation provides that the Series 2017 A Bonds are issued for the purpose, along with other funds of the Issuer available therefor, of (i) paying a portion of the cost of currently refunding the Issuer's Sewer Revenue Bonds, Series 1978, dated December 17, 1979, issued in the original aggregate principal amount of $1,522,000; Sewer Revenue Bonds, Series 1995 A, dated March 16, 1995, issued in the original aggregate principal amount of $2,000,000; Sewer Revenue Bonds, Series 1995 B, dated March 16, 1995, issued in the original aggregate principal amount of $1,676,000; and Sewer Revenue Bonds, Series 1995 C, dated March 16, 1995, issued in the original aggregate principal

amount of $250,000 (collectively, the "Bonds to be Refunded"); (ii) funding the Series 2017 A Bonds Reserve Account in an amount equal to the Series 2017 A Bonds Reserve Requirement; and (iii) paying certain costs of issuance of the Series 2017 A Bonds and related costs.

The Series 2017 A Bonds have been sold to Crews & Associates, Inc. (the "Underwriters"), pursuant to a Bond Purchase Agreement, dated _____, 2017 (the "Bond Purchase Agreement"), between the Underwriters and the Issuer.

As to questions of fact material to our opinion, we have relied upon representations and warranties of the Issuer and other entities, the representations and warranties contained in the Bond Legislation, the Bond Purchase Agreement, the Continuing Disclosure Agreement, dated _____, 2017 (the "Continuing Disclosure Agreement"), between the Issuer and United Bank, Inc., the Tax Certificate and Agreement, dated the date hereof (the "Tax Certificate"), executed by the Issuer, and the certified proceedings and other certifications of certain officials of the Issuer and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants and representations of the Issuer and others set forth in the Bond Legislation, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Certificate and such certifications, we are of the opinion, under existing law, that:

1. The Issuer is a duly organized and validly existing public service district under and pursuant to the laws of the State of West Virginia, with full power and authority to adopt the Bond Legislation, enter into the Bond Purchase Agreement, the Continuing Disclosure Agreement and Tax Certificate, perform its obligations under the terms and provisions thereof and to issue and sell the Series 2017 A Bonds, all under the provisions of the Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted the Bond Legislation, has authorized, executed and delivered the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Tax Certificate, has authorized the distribution of the Official Statement in connection with the marketing and sale of the Series 2017 A Bonds, and has issued and delivered the Series 2017 A Bonds to the Underwriters pursuant to the Bond Purchase Agreement. The Bond Legislation is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Tax Certificate constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms. We have examined the executed and authenticated Series 2017 A Bonds of said issue and, in our opinion, said Series 2017 A Bonds are in proper form and have been duly executed and authenticated.

4. The Series 2017 A Bonds have been duly authorized, executed and delivered by the Issuer and, assuming proper authentication, constitute valid and legally enforceable limited obligations of the Issuer, payable from and secured by a first lien on the Net Revenues of the System, on a parity with the Issuer's: (i) Sewer Revenue Bonds, Series 2005 A (State Revolving Fund), dated January 14, 2005, issued in the original aggregate principal amount of $6,192,677 and held by the West Virginia Water Development Authority; and (ii) Sewer Revenue Bonds, Series 2002 A (State Revolving Fund), dated June 25, 2002, issued in the original aggregate principal amount of $293,000 and held by the West Virginia Water Development Authority (collectively referred to herein as the "Prior Bonds.")

The Series 2017 A Bonds are enforceable in accordance with their terms and the terms of the Bond Legislation, and are entitled to the benefits of the Bond Legislation and the Act.

5. The Bonds to be Refunded have been paid within the meaning and with the effect expressed in the Bond Resolutions, as supplemented, pursuant to which the Bonds to be Refunded were issued, and the covenants, agreements and other obligations of the Issuer to the holders and owners of the Bonds to be Refunded have been satisfied and discharged.

6. Under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2017 A Bonds is excludable from gross income of the holders thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations. It should be noted, however, that for the purpose of calculating the alternative minimum tax on certain corporations (as defined for federal income tax purposes), such interest is taken into account as an adjustment to current earnings of such corporations.

Ownership of tax-exempt obligations, including the Series 2017 A Bonds, may result in collateral federal income tax consequences to certain taxpayers. We offer no opinion as to such collateral tax consequences or any other federal tax consequences arising with respect to the Series 2017 A Bonds. Prospective purchasers of the Series 2017 A Bonds should consult their own tax advisors as to such consequences.

The Issuer has designated the par amount of the Series 2017 A Bonds as "Qualified Tax-Exempt Obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, and regulations thereunder (the "Code") and has covenanted that not more than $10,000,000 aggregate principal amount of obligations, including the Series 2017 A Bonds, the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations described in Section 265(b)(3)(C)(ii) of the Code), have been or shall be issued by the Issuer or any entities subordinate to it, during the calendar year 2017, all as determined in accordance with the Code.

The opinions set forth in this paragraph 6 are subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied for interest on the Series 2017 A Bonds to be or continue to be excludable from gross income for federal income tax purposes, and with all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Series 2017 A Bonds set forth in the Bond Legislation, the Tax Certificate and the certifications of the Issuer and others (collectively, the "Tax Covenants"). Failure to comply with the Tax Covenants could cause the interest on the Series 2017 A Bonds to be included in gross income retroactively to the date of issuance of the Series 2017 A Bonds.

7. Under the Act, the Series 2017 A Bonds and the interest thereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

8. The Series 2017 A Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and the West Virginia Uniform Securities Act, as amended, and it is not necessary, in connection with the public offering and sale of the Series 2017 A Bonds, to register any securities under said Securities Acts.

It is to be understood that the rights of the holders of the Series 2017 A Bonds and the enforceability of the Series 2017 A Bonds, the Bond Legislation, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Certificate, and the liens, pledges, rights or remedies with respect thereto, are subject to and may be limited by any applicable bankruptcy, reorganization,

insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally and that their enforcement may also be subject to the application of public policy, general principles of equity and the exercise of judicial discretion in appropriate cases.

The opinions expressed in this letter are based upon the law in effect on the date hereof, and may be affected by actions taken or omitted or events occurring after the date hereof, including subsequent interpretations of the applicable law by competent judicial, regulatory and administrative authorities that modify, revoke, supplement, reverse, overrule or otherwise change applicable law and current interpretations thereof. We assume no obligation to revise or supplement this opinion should such law be changed by legislative action, judicial decision, or otherwise, or to determine or to inform any person whether any such actions are taken or omitted or any such events occur.

Very truly yours,

STEPTOE & JOHNSON PLLC

BRADLEY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)

SEWER REFUNDING REVENUE BONDS,
SERIES 2017 A (BANK QUALIFIED)

BOND RESOLUTION

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NEW ISSUE UNRATED

In the opinion of Steptoe & Johnson PLLC, Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, (i) the interest on the Series 2017 A Bonds is excludable from gross income of the owners thereof for Federal income tax purposes, assuming compliance with certain provisions described herein pertaining to the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) the interest on the Series 2017 A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, for the purpose of calculating the alternative minimum tax on certain corporations (as defined for federal income tax purposes), such interest is taken into account as an adjustment to current earnings of such corporations, and (iii) under the laws of the State of West Virginia, the Series 2017 A Bonds are exempt from taxation by the State of West Virginia and the other taxing bodies of the State. In addition, the Series 2017 A Bonds have been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "TAX MATTERS" herein.

$2,640,000
BRADLEY PUBLIC SERVICE DISTRICT
SEWER REFUNDING REVENUE BONDS
SERIES 2017 A (BANK QUALIFIED)

Dated: Date of Delivery Due: March 1, as shown below

The Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified) (the "Series 2017 A Bonds"), are issuable only as fully registered bonds without coupons in denominations of $5,000 and integral multiples thereof for any year of maturity. All of the Series 2017 A Bonds initially will be maintained under a book-entry system under which The Depository Trust Company, New York, New York ("DTC"), will act as securities depository. Purchases of the Series 2017 A Bonds will be in book-entry form only. Semiannual interest on the Series 2017 A Bonds is payable beginning September 1, 2017, and each March 1 and September 1 thereafter. So long as the Series 2017 A Bonds are maintained under a book-entry system, payments of the principal of, and premium, if any, and interest on the Series 2017 A Bonds will be made when due by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent, to DTC in accordance with the Resolution, as defined herein, and the Paying Agent will have no obligation to make any payments to any beneficial owner of any of the Series 2017 A Bonds. See "THE SERIES 2017 A BONDS" and "BOOK-ENTRY ONLY SYSTEM."

The Series 2017 A Bonds are being issued by Bradley Public Service District (the "District"), together with other funds available therefor, to: (i) provide funds to currently refund the District's Sewer Revenue Bonds, Series 1978 (the "Series 1978 Bonds"), Sewer Revenue Bonds, Series 1995 A (the "Series 1995 A Bonds"), Sewer Revenue Bonds, Series 1995 B (the "Series 1995 B Bonds"), and Sewer Revenue Bonds, Series 1995 C (the "Series 1995 C Bonds" and, collectively with the Series 1978 Bonds, the Series 1995 A Bonds and the Series 1995 B Bonds, the "Refunded Bonds"); (ii) fund a debt service reserve account for the Series 2017 A Bonds in an amount equal to the Series 2017 A Bonds Reserve Requirement; and (iii) pay costs of issuance of the Series 2017 A Bonds and related costs.

The Series 2017 A Bonds are payable from and further secured by the Net Revenues derived from the existing sanitary sewerage collection and treatment system of the District and any future additions, extensions, improvements and betterments thereto (collectively, the "System"), on parity with the Prior Bonds, and from funds on deposit in the Series 2017 A Bonds Sinking Fund and in the Series 2017 A Bonds Reserve Account therein, as more fully described herein. The Series 2017 A Bonds do not constitute an indebtedness of the District within the meaning of any constitutional or statutory provisions or limitations, and the District shall not be obligated to pay the principal of, premium, if any, or interest on the Series 2017 A Bonds, except from the Net Revenues and such funds on deposit. Neither the full faith and credit nor the taxing power, if any, of the District shall be deemed to be pledged to, nor shall any tax be levied for, the payment of the principal of, premium, if any, or interest on the Series 2017 A Bonds. The District has no taxing power.

The Series 2017 A Bonds are subject to redemption prior to maturity as described herein.

The District has designated the Series 2017 A Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended. See "TAX MATTERS" for additional information.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision. The Series 2017 A Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, to withdrawal or modification of the offering without notice and to the unqualified approval of legality by Steptoe & Johnson PLLC, Charleston, West Virginia, Bond Counsel. Steptoe & Johnson PLLC, Charleston, West Virginia, as counsel to the District, will pass on certain legal matters for the District. Bowles Rice LLP, Charleston, West Virginia, as counsel to the Underwriter, will pass upon certain legal matters for the Underwriter. It is expected that the Series 2017 A Bonds will be available through the facilities of DTC on or about June 8, 2017.

Dated: May 25, 2017

Crews&Associates
Member First Security Bancorp

$2,640,000
BRADLEY PUBLIC SERVICE DISTRICT
SEWER REFUNDING REVENUE BONDS
SERIES 2017 A (BANK QUALIFIED)

Maturities, Amounts, Interest Rates, Yields, Prices & CUSIPS*

Term Bonds

$530,000 2.400% Term Bonds, Due March 1, 2021 Yield 2.400% Price 100.000% CUSIP* 104579 AA5
$465,000 2.700% Term Bonds, Due March 1, 2024 Yield 2.700% Price 100.000% CUSIP* 104579 AB3
$495,000 3.000% Term Bonds, Due March 1, 2027 Yield 3.000% Price 100.000% CUSIP* 104579 AC1
$545,000 3.375% Term Bonds, Due March 1, 2030 Yield 3.500% Price 98.721% CUSIP* 104579 AD9
$605,000 3.500% Term Bonds, Due March 1, 2033 Yield 3.630% Price 98.448% CUSIP* 104579 AE7

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* CUSIP data is provided by Standard & Poor's CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. The CUSIP numbers on the inside cover page hereof are being provided solely for the convenience of the Owners of the Series 2017 A Bonds only at the time of issuance of the Series 2017 A Bonds and neither the Underwriter nor the District make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2017 A Bonds.

BRADLEY PUBLIC SERVICE DISTRICT

PUBLIC SERVICE BOARD
Daymon Sweeney, Chairman
Dorothy Redden, Secretary
Dwight Reggi, Treasurer

ADMINISTRATION
Scott Howells, General Manager
Fran L. Shelton, Office Manager

ISSUER'S COUNSEL
Steptoe & Johnson PLLC
Charleston, West Virginia

BOND COUNSEL
Steptoe & Johnson PLLC
Charleston, West Virginia

ACCOUNTANT
Lowe & Associates, PLLC
Milton, West Virginia

UNDERWRITER
Crews & Associates, Inc.
Morgantown, West Virginia
Little Rock, Arkansas

UNDERWRITER'S COUNSEL
Bowles Rice LLP
Charleston, West Virginia

PAYING AGENT
West Virginia Municipal Bond Commission
Charleston, West Virginia

REGISTRAR
United Bank, Inc.
Charleston, West Virginia

DISSEMINATION AGENT
United Bank, Inc.
Charleston, West Virginia

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2017 A Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by Bradley Public Service District (the "District") or the Underwriter to give any information or to make any representations, other than as is contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The information set forth herein has been obtained from the District and other sources, which are believed to be reliable, but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information and any expression of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the District, as it relates to the System, since the date hereof. This Official Statement is submitted in connection with the sale of securities referred to herein, and may not be reproduced or used, in whole or in part, for any other purposes.

The information contained in this Official Statement has been obtained from the District and other sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a promise by any of the foregoing. The presentation of such information is intended to show recent historic information and is not intended to indicate future or continuing trends. No representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. This Official Statement contains, in part, estimates and matters of opinion, whether or not expressly stated to be such, which are not intended as statements or representations of fact or certainty, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District.

The Series 2017 A Bonds shall not be or constitute an indebtedness of the District within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Net Revenues of the System, and from the funds on deposit in the Series 2017 A Bonds Sinking Fund in the Series 2017 A Bonds Reserve Account therein, and the unexpended proceeds of the Series 2017 A Bonds, all as herein provided. No Holder or Holders of the Series 2017 A Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power, if any, of the District to pay the Series 2017 A Bonds or the interest thereon. The District has no taxing authority.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimated," "forecasted," "intended," "expected," "anticipated," "projected" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. For a discussion of certain of such risks and possible variations in results, see the information under "INVESTMENT CONSIDERATIONS."

You should make your own decision as to whether this offering meets your investment objectives and risk tolerance level. No federal or state securities commission has approved, disapproved, endorsed or recommended this offering. No independent person has confirmed the accuracy or truthfulness of this disclosure or whether it is complete. The West Virginia Securities Commission has not reviewed the disclosure contained herein, and the District is relying on an exemption from registration by qualification under the West Virginia Securities Act.

The Resolution has not been qualified under the Trust Indenture Act of 1939, as amended, because of available exemptions therefrom.

The following sentence has been provided by the Underwriter for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Series 2017 A Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency has determined or confirmed the accuracy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2017 A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

$2,640,000
BRADLEY PUBLIC SERVICE DISTRICT
SEWER REFUNDING REVENUE BONDS
SERIES 2017 A (BANK QUALIFIED)

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of setting forth certain information concerning Bradley Public Service District, located in Raleigh County, West Virginia (the "District"), the District's sanitary sewerage collection and treatment system hereinafter described and the District's $2,640,000 in aggregate principal amount of Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified) (the "Series 2017 A Bonds"). The Series 2017 A Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the "State"), including Chapter 16, Article 13A of the Code of West Virginia of 1931, as amended (the "Act"), and a resolution adopted by the Public Service Board of the District on May 17, 2017 (the "Original Resolution"), as supplemented by a Supplemental Parameters Resolution duly adopted by the Public Service Board of the District on May 17, 2017 (the "Supplemental Parameters Resolution"), and a Certificate of Determinations executed by the Chairman of the District dated May 25, 2017 (the "Certificate of Determinations" and, collectively with the Original Resolution and the Supplemental Parameters Resolution, the "Resolution").

The proceeds of the Series 2017 A Bonds, together with other funds available therefor, will be used to: (i) provide funds to currently refund the District's Sewer Revenue Bonds, Series 1978 (the "Series 1978 Bonds"), Sewer Revenue Bonds, Series 1995 A (the "Series 1995 A Bonds"), Sewer Revenue Bonds, Series 1995 B (the "Series 1995 B Bonds"), and Sewer Revenue Bonds, Series 1995 C Bonds (the "Series 1995 C Bonds" and, collectively with the Series 1978 Bonds, the Series 1995 A Bonds and the Series 1995 B Bonds, the "Refunded Bonds"); (ii) fund a debt service reserve account for the Series 2017 A Bonds in an amount equal to the Series 2017 A Bonds Reserve Requirement; and (iii) pay costs of issuance of the Series 2017 A Bonds and related costs.

Following the refunding of the Refunded Bonds, the District will have outstanding the following bonds, all of which are payable from the Net Revenues of the System on a parity with the Series 2017 A Bonds:

(1) Sewer Revenue Bonds, Series 2002 A (State Revolving Fund), dated June 25, 2002, issued in the original principal amount of $293,000 and held by the West Virginia Water Development Authority (the "Series 2002 A Bonds"); and

(2) Sewer Revenue Bonds, Series 2005 A (State Revolving Fund), dated January 14, 2005, issued in the original principal amount of $6,192,677 and held by the West Virginia Water Development Authority (the "Series 2005 A Bonds").

The Series 2002 A Bonds and the Series 2005 A Bonds are hereinafter collectively called the "Prior Bonds."

The Series 2017 A Bonds shall be issued on a parity with one another, the Prior Bonds, and any Additional Parity Bonds (as hereinafter defined) with respect to liens, pledge and source of and security for payment and in all other respects pursuant to the Resolution. See "SECURITY FOR THE SERIES 2017 A BONDS."

The Series 2017 A Bonds are payable from and secured by the Net Revenues, as defined in the Resolution and hereinafter, derived from the existing sanitary sewerage collection and treatment sewer

system of the District and any future extensions, additions, improvements or betterments thereto (collectively, the "System"), on parity with the Prior Bonds and any Additional Parity Bonds, and from funds on deposit in the Series 2017 A Bonds Sinking Fund and in the Series 2017 A Bonds Reserve Account therein. The Series 2017 A Bonds do not constitute an indebtedness of the District within the meaning of any constitutional or statutory provisions or limitations, and the District shall not be obligated to pay the Series 2017 A Bonds or premium, if any, or the interest thereon except from such Net Revenues and such funds on deposit.

Pursuant to the Resolution, the District has covenanted and agreed to establish and collect just and equitable rates and charges for the use of the System and the services rendered thereby which shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any fiscal year for payment of principal of and interest on the Series 2017 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2017 A Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds, provided, however, that in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2017 A Bonds Reserve Account and the respective reserve accounts for the Prior Bonds and any hereinafter issued Additional Parity Bonds, such balance each year need only equal at least 110% of the maximum amount required in any fiscal year for payment of principal of and interest on the Series 2017 A Bonds and all other obligations on a parity therewith, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. See "SECURITY FOR THE SERIES 2017 A BONDS – Rate Covenant" and "APPENDIX G – THE RESOLUTION."

The Series 2017 A Bonds will be dated, will mature, will bear interest and will be subject to redemption prior to maturity as more fully described on the cover page hereto and under the heading "THE SERIES 2017 A BONDS" herein. The Series 2017 A Bonds initially will be maintained under a book-entry system. So long as the Series 2017 A Bonds are maintained under a book-entry system, the manner of payment, the denominations, the transfer and exchange of ownership and the method of providing notice of redemption to the owners of the Series 2017 A Bonds shall be determined as described under "BOOK-ENTRY ONLY SYSTEM" herein. If the book-entry system is discontinued, principal of, and interest and premium, if any, on the Series 2017 A Bonds will be payable by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Bond Commission" or the "Paying Agent"), to the owners thereof at the addresses appearing in the books kept by United Bank, Inc., as registrar (the "Registrar"). For further information describing the method of payment and other matters in the event the book-entry system is discontinued, see "THE SERIES 2017 A BONDS" herein.

For a description of the exclusion of interest on the Series 2017 A Bonds from gross income for federal income tax purposes and West Virginia state income tax purposes, see "TAX MATTERS."

The District may issue Additional Parity Bonds for the purpose of financing the cost of design, construction, acquisition, and/or equipping of extensions, additions, improvements or betterments to the System, refunding all or a portion of one or more series of Prior Bonds, the Series 2017 A Bonds or hereinafter issued Additional Parity Bonds, to pay claims which may exist against the revenues or facilities of the System, or all of such purposes, subject, in each case, to certain tests and conditions provided for by the Resolution (the Series 2017 A Bonds, the Prior Bonds, and any such Additional Parity Bonds are hereinafter collectively referred to as the "Bonds"). See "SECURITY FOR THE SERIES 2017 A BONDS - Additional Parity Bonds."

The Series 2017 A Bonds are offered when, as and if issued and received on behalf of Crews & Associates, Inc. (the "Underwriter"), subject to prior sale, to withdrawal or modification of the offering without notice and to the unqualified approval of legality by Steptoe & Johnson PLLC, Charleston, West Virginia, Bond Counsel. Steptoe & Johnson PLLC, Charleston, West Virginia, as counsel to the District,

will pass upon certain legal matters for the District. Bowles Rice LLP, Charleston, West Virginia, as counsel to the Underwriter, will pass upon certain legal matters for the Underwriter.

Brief descriptions of the Series 2017 A Bonds, the Resolution, the refunding of the Refunded Bonds, the District, and certain provisions of the Resolution and the Act, as defined in the Resolution and hereinafter, are set forth in this Official Statement, as well as other information contained in the appendices hereto. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Resolution, provisions of the Act and other applicable laws of the State are qualified in their entirety by reference to each such document or law. References herein to the Series 2017 A Bonds are qualified in their entirety by reference to the form thereof included in the Resolution and the information with respect thereto included in the aforesaid documents. Capitalized terms used and not otherwise defined in this Official Statement shall have the respective meanings given them in the Resolution a copy of which is attached hereto as APPENDIX G - THE RESOLUTION. Copies of the Resolution and other applicable documents may be obtained from the District or, during the period of offering the Series 2017 A Bonds, from the Underwriter.

FINANCING PLAN

The proceeds of the Series 2017 A Bonds, together with other funds of the Issuer available therefor, will be used to: (i) provide funds to currently refund the Refunded Bonds; (ii) fund a debt service reserve account for the Series 2017 A Bonds in an amount equal to the Series 2017 A Bonds Reserve Requirement; and (iii) pay costs of issuance of the Series 2017 A Bonds and related costs. The District expects to pay the outstanding principal of, and interest on, the Refunded Bonds contemporaneously with the issuance of the Series 2017 A Bonds.

Sources and Uses of Funds (exclusive of accrued interest, if any)

Sources of Funds:	
Principal Amount of Series 2017 A Bonds	$ 2,640,000.00
Transfer from the Refunded Bonds Debt Service Reserve Funds	305,591.13
Original Issue Discount	(16,360.15)
Total Sources	$ 2,929,230.98
Uses of Funds:	
Payment to USDA for Current Refunding of Refunded Bonds	$ 2,601,877.12
Deposit to Series 2017 A Bonds Reserve Account [1]	218,738.78
Costs of Issuance [2]	108,615.08
Total Uses	$ 2,929,230.98

(1) See "SECURITY FOR THE SERIES 2017 A BONDS - Series 2017 A Bonds Reserve Account."

(2) Includes, but is not limited to, legal, accounting and financing fees, bond counsel fees, underwriter's discount, underwriter's counsel fees, rounding, registrar's fee, and other miscellaneous expenses relating to the issuance of the Series 2017 A Bonds.

THE SERIES 2017 A BONDS

General

The Series 2017 A Bonds are dated and bear interest from the date of issuance. Any Series 2017 A Bond issued in exchange on or subsequent to said first interest payment date will be dated as of the interest payment date next preceding the date of authentication thereof unless the date of authentication is an interest payment date on which interest on said Series 2017 A Bond shall have been paid in full or duly provided for, in which case said Series 2017 A Bond shall be dated such date of authentication; or unless, as shown by the records of the Registrar, as defined below, interest on such Series 2017 A Bond shall be

in default, in which case any Series 2017 A Bond issued in exchange for a Series 2017 A Bond surrendered for transfer or exchange shall be dated as of the date to which interest has been paid in full. The Series 2017 A Bonds will bear interest from their date, payable semiannually on each March 1 and September 1, commencing September 1, 2017, upon original issuance, at the rates per annum and will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement.

The Series 2017 A Bonds will be issued as fully registered bonds without coupons in denominations of $5,000 and integral multiples thereof for any year of maturity. The Series 2017 A Bonds initially shall be maintained under a book-entry system; Beneficial Owners shall have no right to receive physical possession of the Series 2017 A Bonds and payments of principal of, redemption price, if any, and interest on the Series 2017 A Bonds will be made as described herein under "BOOK-ENTRY ONLY SYSTEM." If the book-entry system is discontinued, interest on the Series 2017 A Bonds will be payable by check or draft made payable and mailed to the owners thereof at the addresses appearing in the books kept by the Registrar as of the 15th day of the month preceding such interest payment date or, in the event of a default in the payment of the Series 2017 A Bonds, that special record date to be fixed by the Registrar by notice given to the owners not less than 10 days prior to said special record date (the "Record Date"). If the book-entry system is discontinued, principal of, premium, if any, and interest on the Series 2017 A Bonds will be payable to the owner thereof upon surrender thereof at the principal office of the Paying Agent.

So long as the Series 2017 A Bonds are maintained under a book-entry system, transfers of ownership interests in the Series 2017 A Bonds will be made as described herein under "BOOK-ENTRY ONLY SYSTEM." If the book-entry system is discontinued, ownership of any Series 2017 A Bond may be transferred upon surrender thereof to the Registrar, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his duly authorized attorney or legal representative. Upon any such transfer of a Series 2017 A Bond, there will be issued another Series 2017 A Bond or Series 2017 A Bonds, at the option of the transferee, of the same aggregate principal amount, series, maturity and interest rate as said Series 2017 A Bond. For every exchange or transfer of Series 2017 A Bonds, the Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. The person requesting such transfer or exchange shall pay any service charge of the Registrar and any applicable tax or other governmental charge.

Optional Redemption

The 2017 A Bonds maturing on and after March 1, 2024, are subject to redemption at the option of the District, prior to maturity, on or after March 1, 2022, in whole or in part, at any time, the maturity date or dates of the Series 2017 A Bonds being redeemed to be selected by the District and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Series 2017 A Bonds maturing March 1, 2021, March 1, 2024 and March 1, 2027, March 1, 2030 and March 1, 2033, are subject to annual mandatory redemption prior to maturity by random selection on March 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Series 2017 A Bonds Maturing March 1, 2021

Year (March1)	Amount
2018	$105,000
2019	140,000
2020	140,000
2021*	145,000

*Final maturity.

Series 2017 A Bonds Maturing March 1, 2024

Year (March 1)	Amount
2022	$150,000
2023	155,000
2024*	160,000

*Final maturity.

Series 2017 A Bonds Maturing March 1, 2027

Year (March 1)	Amount
2025	$160,000
2026	165,000
2027*	170,000

*Final maturity.

Series 2017 A Bonds Maturing March 1, 2030

Year (March 1)	Amount
2028	$175,000
2029	180,000
2030*	190,000

*Final maturity.

Series 2017 A Bonds Maturing March 1, 2033

Year (March 1)	Amount
2031	$195,000
2032	200,000
2033*	210,000

*Final maturity.

Except as provided above, in the event of any redemption of less than all outstanding Series 2017 A Bonds, Series 2017 A Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2017 A Bonds are to be redeemed, the Series 2017 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Date. So long as the Series 2017 A Bonds are maintained under a book-entry system, the selection of individual ownership interests in the Series 2017 A Bonds to be credited with any partial redemption shall be made as described herein under "BOOK-ENTRY ONLY SYSTEM."

Notice of Redemption

So long as the Series 2017 A Bonds are maintained under a book-entry system, notice of the call for any redemption of the Series 2017 A Bonds shall be given as described below under "BOOK-ENTRY ONLY SYSTEM." Notice of redemption of the Series 2017 A Bonds, unless waived, shall be given by the Registrar on behalf of the District by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2017 A Bonds; and failure to mail such notice shall not affect the validity of proceedings for the redemption of the Bond. After notice of redemption has been given in the manner hereinabove and in the Resolution described and moneys necessary therefor have been deposited, the Series 2017 A Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue.

BOOK-ENTRY ONLY SYSTEM

The information in this section has been obtained from sources that the District and the Underwriter believe to be reliable, but neither the District nor the Underwriter take any responsibility for the accuracy thereof.

The Depository Trust Company

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2017 A Bonds. The Series 2017 A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2017 A Bond certificate will be issued for each maturity of the Series 2017 A Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the

DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Series 2017 A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017 A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2017 A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2017 A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2017 A Bonds, except in the event that use of the book-entry system for the Series 2017 A Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2017 A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2017 A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2017 A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017 A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2017 A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2017 A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2017 A Bonds documents. For example, Beneficial Owners of Series 2017 A Bonds may wish to ascertain that the nominee holding the Series 2017 A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Series 2017 A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2017 A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2017 A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Series 2017 A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and detail information from the District or Agent, on payable date in accordance with their respective holdings

shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Series 2017 A Bonds at any time by giving reasonable notice to the District or Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2017 A Bonds certificates are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2017 A Bonds certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

THE ISSUER, THE PAYING AGENT AND THE REGISTRAR WILL HAVE NO RESPONSIBILITY OR OBLIGATION TO THE DIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE ACCURACY OF THE RECORDS OF DTC, ITS NOMINEE OR ANY DIRECT PARTICIPANT PERTAINING TO OWNERSHIP IN THE 2017 BONDS OR THE PAYMENTS TO, OR THE PROVIDING OF NOTICE FOR, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE 2017 A BONDS, REFERENCES TO THE HOLDERS OF THE 2017 A BONDS OR OWNERS OF THE 2017 A BONDS, SHALL MEAN CEDE & CO., AND SHALL NOT MEAN THE BENEFICIAL OWNERS.

SECURITY FOR THE SERIES 2017 A BONDS

The Series 2017 A Bonds are special obligations of the District and are payable as to principal, premium, if any, and interest solely from the sources described below. The District is under no obligation to pay the Series 2017 A Bonds except from said sources.

Sources of Payment

The payment of the debt service on the Series 2017 A Bonds shall be secured forthwith equally and ratably by a parity first lien on and pledge of the Net Revenues derived from the System, on parity with one another, the Prior Bonds, and any Additional Parity Bonds, and the funds on deposit in the Series 2017 A Bonds Sinking Fund and in the Series 2017 A Bonds Reserve Account therein. Net Revenues derived from the System in an amount sufficient to pay the principal of, and premium, if any, and interest on the Series 2017 A Bonds and to make the payments into the Series 2017 A Bonds Sinking Fund and the Series 2017 A Bonds Reserve Account therein and all other payments provided for in the Resolution, and the funds in the Series 2017 A Bonds Sinking Fund and the Series 2017 A Bonds Reserve Account therein are irrevocably pledged to the payment of the principal of, and premium, if any, and interest on, the Series 2017 A Bonds as the same become due and for the other purposes provided in the Resolution.

Rate Covenant

The District has covenanted and agreed in the Resolution, so long as the Series 2017 A Bonds are outstanding, to establish and collect just and equitable rates and charges for the use of the System and the services rendered thereby which shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any fiscal year for payment of principal of and interest on the Series 2017 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2017 A Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds, provided, however, that in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2017 A Bonds Reserve Account and the respective reserve accounts for the Prior Bonds and any hereinafter issued Additional Parity Bonds, such balance each year need only equal at least 110% of the maximum amount required in any fiscal year for payment of principal of and interest on the Series 2017 A Bonds and all other obligations on a parity therewith, including the Prior Bonds and any hereinafter issued Additional Parity Bonds.

In the computation provided in the above paragraph, "revenues of the System" shall include increased Net Revenues estimated to be derived from any improvements under construction, and any change in rates approved by Order of the Public Service Commission of West Virginia (the "PSC"), the time of appeal of which shall have expired, whether or not such approved rates are being charged and collected by the District.

The District has covenanted to require that each annual audit contain a statement of the auditor that the District either is or is not in compliance with the rate covenant described above. In the event that any audit contains a statement that the District is not in compliance with such rate covenant, the District has covenanted that it shall, within one hundred and twenty (120) days of receiving the audit report, file a petition with the PSC seeking approval of rates and charges sufficient to comply with the above-mentioned rate requirement. See "APPENDIX G – THE RESOLUTION"

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Summary Statement of Income and Expense (Fiscal Year Ended June 30) [1]

	Audited FY 2012	Audited FY 2013	Audited FY 2014	Audited FY 2015	Audited FY 2016	Projected FY 2017
Operating Revenues	1,220,720	1,224,755	1,221,750	1,233,957	1,212,274	1,229,000
Interest/Other Income	18,407	26,014	4,182	2,989	3,079	3,100
Total Cash	1,239,127	1,250,769	1,225,932	1,236,946	1,215,353	1,232,100
*Less: O&M Expenses	(722,296)	(668,037)	(707,406)	(656,394)	(683,726)	(656,000)
Cash Available for Debt Service	516,831	582,732	518,526	580,552	531,627	576,100
Debt Service Requirements	522,131	522,131	522,131	522,131	522,131	522,131
Remaining Cash	(5,300)	60,601	(3,605)	58,421	9,496	53,969
Debt Service Coverage	98.98%	111.61%	99.99%	111.07%	101.70%	110.34%

*O & M Expenses are net of depreciation & amortization

(1) Source: Lowe & Associates PLLC. The Projected FY 2017 was calculated by taking the District's 2.17% rate increase that was granted in November 2016, which would be approximately $25,000 per year, and taking 10 months of that figure ($17,000) and adding it to the prior year operating revenues (1,212,274 + $17,001 = $1,229,275). The Expenses were an estimate of taking an average of the prior two years' expenses.

As of the end of its fiscal years ending June 30, 2012, June 30, 2013, June 30, 2014 and June 30, 2016, the District was not in compliance with the covenants set forth in the bond resolutions authorizing the issuance of the Prior Bonds and the Refunded Bonds requiring the District to maintain and charge rates sufficient to provide for all operating expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on its outstanding bonds, provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit in the reserve accounts for such bonds, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on its outstanding bonds. Such noncompliance constituted an event of default under the respective bond resolutions relating to such outstanding bonds. However, the holders of such outstanding bonds have not exercised any available remedies as a result of such default, which available remedies are similar to the remedies set forth in the Resolution included in Appendix G attached hereto. Based upon the notes to the District's Financial Statements for the Fiscal Years ended June 30, 2015 and June 30, 2014, each of the reserve accounts for the Prior Bonds and the Refunded Bonds was funded to the required amount as of June 30, 2015. The District has established rates effective for all bills rendered by the District on and after November 21, 2016, that have been approved by the Public Service Commission of West Virginia (the "PSC") that, based upon the Recommended Decision of the PSC approving such rates, will provide debt service coverage of 116.22% for the first 29 months and 110.06% thereafter. See APPENDIX B – THE DISTRICT AND THE SYSTEM – Summary of Historical Revenues and Expenses."

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Estimated Debt Service Coverage with Refunding and Rate Order[1]:

Pursuant to the District's tariff issued on November 22, 2016, the District implemented a Step 1 rate increase effective for 29-months for services rendered on or after November 21, 2016. After the 29-Month Step 1 Rate Period ends, Step 2 rates will come into effect, generating a revenue decrease over current rates. The following Table[1] outlines the estimated debt service coverage based on the FY 2016 figures adjusted to account for the Step 2 rate decrease assuming that the rate decrease was in effect for the full year and to reflect the anticipated reduction in the maximum annual debt service resulting from the refunding of the Refunded Bonds:

	FY 2016
Amount Available for Debt Service[2]	$ 531,627
Tariff[3]	(5,175)
Adjusted amount available for debt service:	526,452
Maximum annual debt service - fiscal year[4]:	434,930
Estimated coverage:	121.04%

(1) The Table above was prepared by the Underwriter using data provided by the WV Public Service Commission and the Bradley Public Service District Audited Financial Statements 2014-2016.

(2) Appendix B: Summary Statement of Income & Expenses Table. Prepared by the District.

(3) On November 22, 2016, the West Virginia Public Service Commission (the "PSC") issued a Step 1 Rate and Step 2 Rate Order for Bradley Public Service District. The PSC Staff recommended a Step 1 rate increase for the first 29-months and determined that the Step 1 rates would generate a rate increase of $27,235 (or 2.19%) annually over the current rates. The PSC also recommended that the Step 2 rates would go into effect after the 29-month Step 1 Rate period. The PSC determined that the Step 2 rates would generate a revenue decrease of $5,175 (or -.42%) annually over the current rates. The Tariff line item in the table above only takes into account the Step 2 Rates that decrease annual revenues at current rates by $5,175.

(4) Includes the debt service on the 2017 A Bonds and the Prior Bonds.

Series 2017 A Bonds Reserve Account

The deposit of $218,738.78 into the Series 2017 A Bonds Reserve Account (the "Series 2017 A Bonds Reserve Requirement") shall equal the maximum amount of principal and interest which will become due on the Series 2017 A Bonds in the then current or any succeeding year as of the Closing Date, which amount is the least of: (i) 10% of the original stated principal amount of the Series 2017 A Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2017 A Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the 2017 A Bonds in the then current or any succeeding year. In the event funds in the Revenue Fund are insufficient to pay the principal of and/or interest on the Series 2017 A Bonds, the Bond Commission shall withdraw and transfer to the Series 2017 A Bonds Sinking Fund sufficient amounts to make payments of principal of and/or interest on the 2017 Bonds as the same becomes due from cash on deposit in the Series 2017 A Bonds Reserve Account.

In the event of a transfer from the Series 2017 A Bonds Reserve Account to the Series 2017 A Bonds Sinking Fund as aforesaid, the District shall restore the balance to the Series 2017 A Bonds Reserve Account in an amount up to the Series 2017 A Bonds Reserve Requirement. The transfer of any cash by the District from the Series 2017 A Bonds Reserve Account to the Series 2017 A Bonds Sinking Fund shall be replenished with monies remaining in the Revenue Fund after payment of Operating Expenses of the System and payment of monthly installments of the Series 2017 A Bonds, the Prior Bonds and any hereinafter issued Additional Parity Bonds (as hereinafter defined), pro rata with such other Bonds, as further provided in the Resolution.

The Series 2017 A Bonds Reserve Account is pledged solely to the payment of principal of and interest on the Series 2017 A Bonds.

Application of Revenues

The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt by the District in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

(1) The District shall first each month pay from the Revenue Fund the Operating Expenses of the System.

(2) The District shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) the amounts required by the Prior Resolutions to pay interest on the Prior Bonds; and (ii) commencing 6 months prior to the first interest payment date on the Series 2017 A Bonds, for deposit in the Series 2017 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2017 A Bonds on the next ensuing semiannual interest payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2017 A Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; and, provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2017 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2017 A Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2017 A Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2017 A Bonds Sinking Fund.

(3) The District shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) the amounts required by the Prior Resolutions to pay the principal of the Prior Bonds; and (ii) commencing 12 months prior to the first principal payment date or mandatory Redemption Date of the Series 2017 A Bonds, for deposit in the Series 2017 A Bonds Sinking Fund, and in the Series 2017 A Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2017 A Bonds on the next ensuing principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2017 A Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is less than or greater than 12 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and, provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2017 A Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph.

(4) The District shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the respective Reserve Accounts, the amounts required under the Prior Resolutions to be deposited in the respective reserve requirements for the Prior Bonds; and (ii) for deposit in the Series 2017 A Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2017 A Bonds Reserve Account below the Series 2017 A Bonds Reserve Requirement or any withdrawal from the Series 2017 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2017 A Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2017 A Bonds Reserve Account is less than the Series 2017 A Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2017 A Bonds Reserve Account for deposit into the Series 2017 A Bonds Sinking Fund, which withdrawal results in the value of the monies in the Series 2017 A Bonds Reserve Account to be below the Series 2017 A Bonds Reserve Requirement. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2017 A Bonds Reserve Account to an amount equal to the Series 2017 A Bonds Reserve Requirement to the full extent that such Net Revenues are available; provided, that no payments shall be required to be made into the Series 2017 A Bonds Reserve Account whenever and as long as the amount deposited therein shall be equal to the Series 2017 A Bonds Reserve Requirement.

(5) The District shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, a sum equal to 2.5% of the Gross Revenues each month (as previously set forth in the Prior Resolutions and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the District or of the Depository Bank and shall be invested and reinvested in accordance with the Resolution. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Monies in the Series 2017 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2017 A Bonds as the same shall become due, whether by maturity or redemption prior to maturity. Amounts in the Series 2017 A Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2017 A Bonds when due, when amounts in the Series 2017 A Bonds Sinking Fund are insufficient therefor and for no other purpose.

The District shall not be required to make any further payments into the Series 2017 A Bonds Sinking Fund or the Series 2017 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of Series 2017 A Bonds issued pursuant to the Resolution then Outstanding, plus the amount of interest due or thereafter to become due on the Series 2017 A Bonds then Outstanding.

As and when Additional Parity Bonds ranking on a parity with the Series 2017 A Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such Additional Parity Bonds and accomplish retirement thereof at or before maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirements therefor.

The payments into the Series 2017 A Bonds Sinking Fund shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments shall be made on the next succeeding business day, and all such payments shall be remitted to the Bond Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of the Resolution.

The District shall restore any withdrawals from the Series 2017 A Bonds Reserve Account which have the effect of reducing the assets therein below the Series 2017 A Bonds Reserve Requirement, from the first Net Revenues available after all required payments have been made in full in the order set forth above.

Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2017 A Bonds in accordance with the respective principal amounts then Outstanding.

The Bond Commission has been designated as the fiscal agent for the administration of the Series 2017 A Bonds Sinking Fund and Series 2017 A Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Bond Commission from the Revenue Fund by the District at the times provided in the Resolution.

Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System. See "APPENDIX G – THE RESOLUTION."

Enforcement of Collections

The District covenants in the Resolution to diligently enforce and collect all fees, rates, rentals or other charges for the services and facilities of the System and take all steps, actions and proceedings for the enforcement and collection of such fees, rates, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia. The District further covenants and agrees in the Resolution that it will, to the full extent permitted by law and the rules and regulations promulgated by the PSC, discontinue and shut off the services of the System and any services or facilities of the water system, if owned by the District or pursuant to a termination agreement within the utility providing such water service to the premises, to all delinquent users of services of the System and will not restore the services of the System until all delinquent charges for the services and facilities of the System, plus reasonable interest and penalty charges for the restoration of service, has been fully paid. See "APPENDIX G – THE RESOLUTION."

Additional Parity Bonds

So long as any of the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the respective Resolutions relating to the Prior Bonds shall be applicable. In addition, no parity bonds, payable out of the Net Revenues of the System, shall be issued after the issuance of the Series 2017 A Bonds, except under the conditions and in the manner hereinafter provided.

All such additional parity Bonds (collectively, "Additional Parity Bonds") issued hereunder shall be on a parity in all respects with the Series 2017 A Bonds.

No such Additional Parity Bonds shall be issued except for the purposes of financing the costs of the design, acquisition, construction and/or equipping of extensions, additions, betterments or improvements to the System, refunding all or a portion of one or more series of the Series 2017 A Bonds, the Prior Bonds or Additional Parity Bonds, or to pay claims which may exist against the revenues or facilities of the System, hereinafter issued or all of such purposes.

So long as the Series 2017 A Bonds are Outstanding, no such Additional Parity Bonds shall be issued at any time, however, unless and until Issuer has procured a written statement by an

Independent Certified Public Accountant reciting the conclusion that the Net Revenues actually derived from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such Additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 2 Fiscal Years immediately following the Fiscal Year in which such Additional Parity Bonds are issued, if any, shall not be less than 115% of the Maximum Annual Debt Service on the following:

(1) The Bonds then Outstanding;

(2) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in the Prior Resolutions and the Resolution; and

(3) The Additional Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues" as that term is used in the computation provided in the above paragraph, shall include increased Net Revenues estimated to be derived from the improvements to be financed by such Additional Parity Bonds, if any, and any change in rates and charges adopted by the Issuer and approved by the PSC, the period for appeal of which has expired prior to the date of delivery of such Additional Parity Bonds, whether or not such approved rates and charges are being charged and collected by the Issuer.

The term "Additional Parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the Net Revenues of the System on a parity with the Bonds. All covenants and other provisions of the Resolution (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2017 A Bonds, the Prior Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System and their source of and security for payment from said Net Revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in the Resolution required for and on account of such Additional Parity Bonds, in addition to the payments required for the Bonds theretofore issued pursuant to the Resolution.

Additional Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to the lien on and source of and security for payment from such revenues, with the Bonds.

No Additional Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in the Resolution and the Prior Resolutions with respect to the Bonds then Outstanding, and any other payments provided for in the Resolution and the Prior Resolutions, shall have been made in full as required to the date of issuance of such Additional Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of the Resolution and the Prior Resolutions.

Provided, however, that if the audit by an Independent Certified Public Accountant for the Issuer for the Fiscal Year immediately preceding the proposed issuance of Additional Parity Bonds states that the Issuer was not in compliance with the rate covenant in the Resolution for the year being audited and the Issuer has, as required by the Resolution, adopted a resolution implementing rates and charges

sufficient to comply with such rate covenant, such statement in the most recent audit shall not be considered a violation of the covenants, agreements and terms of the Resolution, so as to prevent the Issuer from issuing Additional Parity Bonds under the Resolution. See "APPENDIX G – BOND RESOLUTION."

Sale of the System

So long as the Prior Bonds are outstanding, the District shall not sell, mortgage, lease or otherwise dispose of or encumber the System except as provided in the Prior Resolutions. Additionally, so long as the Series 2017 A Bonds are Outstanding, the System may be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, or to defease the pledge created by the Resolution and the Prior Resolutions. The proceeds from such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Commission for deposit in the respective Sinking Funds, and otherwise as prescribed by the Resolution. Any balance remaining after such defeasance shall be remitted to the District by the Commission unless necessary for the payment of other obligations of the District payable out of the revenues of the System.

The foregoing provision notwithstanding, the District shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $500,000, the District may provide for the sale of such property. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $500,000 but not in excess of $1,000,000 the District, by resolution duly adopted, shall determine that the property is no longer necessary, useful or profitable in the operation of the System and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition off such property which are less than $500,000 may be deposited in the Revenue Fund or the Renewal and Replacement Fund, at the sole discretion of the District. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $500,000 and not in excess of $1,000,000, shall be deposited by the District into Sinking Funds for the Bonds or the Renewal and Replacement Fund, at the sole discretion of the District. Such payment of such proceeds into the Sinking Funds for the Bonds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of the Resolution.

No sale, lease or other disposition of the properties of the System shall be made by the District if the proceeds to be derived therefrom, shall be in excess of $1,000,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% of the par amount of the Bonds then Outstanding. The District shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System. See "APPENDIX G – THE RESOLUTION."

THE DISTRICT AND THE SYSTEM

Bradley Public Service District is a public service district, public corporation and political subdivision of the State of West Virginia located in Raleigh County of said State. The District's Public Service Board (the "Board") is composed of three members appointed by The County Commission of Raleigh County, each serving a six-year term. Annually, at the first calendar year meeting, the Act requires the Board elect officers including a Chairman, a Secretary and a Treasurer for the then current calendar year.

The System is a sewer utility located in Raleigh County, West Virginia operated in accordance with the Act and the rules and regulations of the PSC. Under the Act, the Board of the District has the

authority to establish and maintain rates and charges for the use of services of the System, subject to approval by Public Service Commission of West Virginia, and to issue revenue bonds on behalf of the District for the purpose of financing the costs of extensions, additions, betterments and improvement to the System or to refinance bonds issued by the District to finance such extensions, additions, betterments and improvements.

For additional information regarding Raleigh County, see "APPENDIX A – ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING RALEIGH COUNTY, WEST VIRGINIA," herein. For information regarding the District and the System, see "APPENDIX B – THE DISTRICT AND THE SYSTEM," herein.

ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth for each Fiscal Year the amounts payable from Net Revenues for principal of and interest on the Prior Bonds and the Series 2017 A Bonds.

Fiscal Year	Series 2002 A	Series 2005 A	Series 2017 A	Total
6/30/2018	9,768	206,423	163,221	379,412
6/30/2019	9,768	206,423	217,174	433,365
6/30/2020	9,768	206,423	213,814	430,005
6/30/2021	9,768	206,423	215,454	431,645
6/30/2022	9,768	206,423	216,974	433,165
6/30/2023	9,768	206,423	217,924	434,115
6/30/2024	9,768	206,423	218,739	434,930
6/30/2025	9,768	206,423	214,419	430,610
6/30/2026	9,768	206,423	214,619	430,810
6/30/2027	9,768	206,423	214,669	430,860
6/30/2028	9,768	206,423	214,569	430,760
6/30/2029	9,768	206,423	213,663	429,854
6/30/2030	9,768	206,423	217,588	433,779
6/30/2031	9,768	206,423	216,175	432,366
6/30/2032	9,768	206,423	214,350	430,541
6/30/2033	7,286	206,423	217,350	431,059
6/30/2034	-	206,423	-	206,423
6/30/2035	-	206,423	-	206,423
6/30/2036	-	206,423	-	206,423
6/30/2037	-	51,596	-	51,596
Total	$ 153,806	$ 3,973,633	$ 3,400,699	$ 7,528,138

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INVESTMENT CONSIDERATIONS

Net Revenue Pledge

The Series 2017 A Bonds are secured solely by the Net Revenues of the System. There can be no guarantee that current rates of the System will always produce revenue sufficient to first pay the operating expenses of the System and then pay the debt service on the Series 2017 A Bonds and the Prior Bonds. The District has covenanted in the Resolution to raise the rates of the System if the Net Revenues of the System are not sufficient to provide 115% coverage of the maximum annual debt service of the Series 2017 A Bonds, and all bonds issued on a parity with the Series 2017 A Bonds including the Prior Bonds and any hereinafter issued Additional Parity Bonds, provided, however, that in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2017 A Bonds Reserve Account and the respective reserve accounts for the Prior Bonds and any hereinafter issued Additional Parity Bonds, such balance each year need only equal at least 110% of the maximum amount required in any fiscal year for payment of principal of and interest on the Series 2017 A Bonds and all other obligations on a parity therewith, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. Currently under State law any modification of the District's rates and charges must be approved by the PSC and may be modified by the PSC. Further discussion of rate review by the PSC is set forth below.

Net Revenues sufficient to pay the debt service on the Series 2017 A Bonds, the Prior Bonds and any hereinafter issued Additional Parity Bonds depend on the retention of current customers by the District. An unexpected loss of customers by the District and corresponding reduction in sewer usage could have an adverse effect on the ability of the District to make the required payments on the Series 2017 A Bonds. Additionally, a significant reduction in the amount of water used by customers of the District and corresponding reduction in sewer usage may also have an adverse impact on the District's ability to make the required payments on the Series 2017 A Bonds.

As of the end of its fiscal years ending June 30, 2012, June 30, 2013, June 30, 2014 and June 30, 2016, the District was not in compliance with the covenants set forth in the bond resolutions authorizing the issuance of the Prior Bonds and the Refunded Bonds requiring the District to maintain and charge rates sufficient to provide for all operating expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on its outstanding bonds, provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit in the reserve accounts for such bonds, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on its outstanding bonds. Such noncompliance constituted an event of default under the respective bond resolutions relating to such outstanding bonds. However, the holders of such outstanding bonds have not exercised any available remedies as a result of such default, which available remedies are similar to the remedies set forth in the Resolution included in Appendix G attached hereto. Based upon the notes to the District's Financial Statements for the Fiscal Years ended June 30, 2015 and June 30, 2014, each of the reserve accounts for the Prior Bonds and the Refunded Bonds was funded to the required amount as of June 30, 2015. The District has established rates effective for all bills rendered by the District on and after November 21, 2016, that have been approved by the PSC that, based upon the Recommended Decision of the PSC approving such rates, will provide debt service coverage of 116.22% for the first 29 months and 110.06% thereafter. See "APPENDIX B – THE DISTRICT AND THE SYSTEM – Summary of Historical Revenues and Expenses."

Future Legislation

Current or future legislative proposals, if enacted into law, may cause interest on the Series 2017 A Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent holders of

the Series 2017 A Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals may also affect the market price for, or marketability of, the Series 2017 A Bonds. Prospective purchasers of the Series 2017 A Bonds should consult their own tax advisors regarding any such pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

It is not an event of default on the Series 2017 A Bonds if legislation is enacted reducing or eliminating the exclusion of interest on state and local government bonds, such as the Series 2017 A Bonds, from gross income for federal income tax purposes.

The Public Service Commission of West Virginia

In West Virginia, public service districts are subject to regulatory oversight by the PSC. Pursuant to Chapter 16, Article 13A of the West Virginia Code, most public service districts must seek PSC approval for most actions. Moreover, pursuant to West Virginia Code Section 24-2-11, for projects that are outside of "the usual course of business," most utilities, including most public service district, must obtain a certificate of public convenience and necessity prior to proceeding to construction.

The PSC's regulatory oversight over public service districts has been reduced as the result of legislation enacted by the West Virginia Legislature in March of 2015 (the "2015 Legislation"). Among other things, the 2015 Legislation amended: (i) West Virginia Code Section 16-13A-25 to give all public service districts "plenary power to borrow money, enter into contracts for the provision of engineering, design or feasibility studies, issue or contract to issue revenue bonds . . . ."; (ii) West Virginia Code Section 24-2-11 to provide that a public service district providing water, sewer and/or stormwater services and having at least 4,500 customers and annual gross combined revenues of $3 million or more is not required to obtain a certificate of public convenience and necessity from the PSC for the construction of public utility assets which are outside of "the usual course of business"; and (iii) West Virginia Code Section 16-13A-9 to provide that a public service district "with at least 4,500 customers and annual combined gross revenue of $3 million or more from its separate or combined services" may establish its rates without regulatory oversight by the PSC.

Since the District does not meet the customer and gross revenue thresholds referenced in (ii) and (iii) above, the District is still required to obtain a certificate of public convenience and necessity from the PSC prior to the construction of additions, betterments and improvements for the System. However, the District may issue bonds without PSC oversight.

With respect to those issues related to the District over which the PSC has regulatory oversight, the PSC has two levels of review. Most cases are initially assigned to an administrative law judge ("ALJ") for decision. The PSC employs a "staff" comprised of engineers, lawyers, and financial analysts (the "Staff") to review cases and make recommendations. The District is also permitted to make recommendations, as are other parties who are granted "intervenor" status. The ALJ may conduct an evidentiary hearing, at which evidence is presented and witnesses for all parties may be cross-examined, after which a recommended decision is issued. Any party to the underlying proceeding, including a party granted intervenor status, may take exception to the recommended decision of the ALJ, in which case the matter is referred to the full PSC for decision.

The PSC is comprised of three individuals appointed by the Governor, and confirmed by the State Senate, for staggered six-year terms. West Virginia Code Section 24-1-3 provides that one of the PSC Commissioners must be a lawyer licensed in West Virginia. The current composition of the PSC may be found at http://www.psc.state.wv.us/Bios/default.htm. The PSC also employs lawyers and financial analysts who work specifically for the PSC, and are distinctly separate from the Staff.

PSC Regulatory Oversight of Rate Increases

Public service districts with over $1 million in annual revenue, such as the District, need to file a financial report, known as a Tariff Rule 42 exhibit, with the PSC in order to change rates. Rule 42 exhibits are based upon a utility's most recently filed PSC annual report. If a PSD is delinquent in filing its annual report, it may be ineligible to file a rate increase application. The PSC has three different rate change processes – a 42R, a 42T or a 42A.

The 42R process emerged following the passage of legislation in the 2014 regular session of the West Virginia Legislature. Under the 42R process, a PSD may place increased rates into effect upon filing a Tariff Rule 42 exhibit with the PSC provided the PSD notifies the PSC 30 days' in advance of making the filing and publishes notice in the counties it serves two weeks in advance of making the filing with the PSC. The filed rates are subject to refund in the event the PSC in its review of the application determines the filed rates are excessive. There is no statutory time limit within which the PSC must issue a final order in a 42R case, and this type of case has taken about one year on average for the PSC to issue a final order. The 42R process is the quickest way for a PSD to improve cash flow, however the risk of being subject to a refund deters some PSDs from filing this type of application.

Under the 42T process, a PSD can file with the PSC a proposed tariff that includes increased rates. As with the 42R process, the District must provide the PSC with 30 days' notice of its intent to file. After expiration of the 30-day notice of intent period, the District may file a proposed tariff with the PSC that includes increased rates. Pursuant to West Virginia Code Section 24-2-4a, the proposed tariff can take effect no sooner than 30 days after the proposed tariff is filed. However, West Virginia Code Section 24-2-4a also provides that the PSC may suspend the proposed tariff prior to its effective date. In most instances, the PSC will not allow the proposed tariff to take effect and it will enter an order suspending the tariff. Based on the size of the District, the suspension period is 120 days. The PSC consistently issues final orders 150 days after a 42T application is filed.

Under the 42A process a PSD provides the PSC with 30 days' advance notice of its intent to file a rate change application, and then files a Rule 42 exhibit, but the PSD does not propose an effective date for its rates. There is no statutory time frame within which the PSC must issue a final order. 42A cases typically take eight months to conclude.

In all of these types of rate cases the PSC or the presiding ALJ will establish a procedural schedule. This schedule will include a due date for Staff to file its financial analysis and recommended rates. The schedule may also include a due date for written testimony (direct and rebuttal) to be filed by the District, Staff, and any intervenors. If there is a disagreement among the parties regarding any issue in the case, the PSC or the presiding ALJ will usually set the matter for hearing. After the hearing, the parties may submit briefs in support of their position(s). Ultimately, the PSC or presiding ALJ will issue a decision within statutory time limits, if there are any.

With any rate change, the District will not begin collecting increased revenues for approximately 45 to 60 days after a rate change goes into effect.

Potential Delays in Effective Date of Rates

A final decision of the PSC may be appealed to the Supreme Court of Appeals of West Virginia, which court has no statutory time frame within which to render a decision. The filing of an appeal with the Supreme Court does not stay the effectiveness of a PSC order unless a bond if filed with the appeal, which is very unusual. While a party does have the right to appeal a PSC decision, the Supreme Court of Appeals of West Virginia has "'previously held, in deference to the Commission's expertise, that the Court will not substitute [its] judgment for that of the Commission on controverted evidence. However, findings of fact made by the Commission will be overturned as clearly wrong when there is no substantial evidence to support them.'" *Jefferson Utils., Inc. v. Pub. Serv. Comm'n of W. Va.*, 227 W.

Va. 589, 595, 712 S.E.2d 498, 504 (2011) (quoting *Chesapeake and Potomac Tel. Co. of W. Va. v. Pub. Serv. Comm'n of W. Va.*, 171 W. Va. 494, 498, 300 S.E.2d 607, 611 (1982)). In other words, the court gives significant deference to decisions of the PSC. PSC -approved rates may be charged (provided that the applicable suspension period has ended) during an appeal to the Supreme Court of Appeals of West Virginia. If the appealing party prevails and new rates are established by the court, the new rates apply prospectively.

Resale utilities are required to obtain authorization from the PSC to pass through any increase in bulk rates. Traditionally, such increases are sought by resale customers after the rates for the selling utility go into effect, which means no assurance exists that resale customers will have sufficient rates to begin paying the increased resale rates as of the effective date. As a result, resale customers may not be in a position to begin charging the new resale rates as soon as the rates go into effect, which ultimately affects the ability of resale customers to remain current with the selling utility. The PSC typically approves these pass through rate increases within 90 days of filing.

Test Year

To support proposed increased rates, the regulations of the PSC require the District to file "financial justification" for the proposed increased rates. This financial justification must be based on financial data from the most recent actual audited or finally closed 12-month period, also known as a "test year." Events that occur outside the test year are not generally permitted in the rate adjustment.

Reliance on "Known and Measurable" Adjustments

When considering adjustments to revenue or expenses occurring outside the test year, the PSC's regulations require that the need for, and amount of, such adjustments be based on information that is "known and measurable." It must be certain that the adjustment will occur, and the amount of the adjustment must be defined. By way of example, even if a utility can demonstrate a consistent year-over-year drop in customers, the PSC generally will not allow rates to include consideration of continuing declines in revenue because the anticipated decline is not "known and measurable."

As a result of the requirement that the support for adjustments be "known and measurable," the PSC will generally not allow multi-year rate increases to address anticipated inflation or drops in customer usage. As a result, the District must file a tariff with proposed increased rates whenever increased costs or decreased revenues necessitate a rate increase.

Emergency Rate Increase

West Virginia Code Section 24-2-4a permits a utility to request "emergency rates" in a 42T or 42A proceeding if it is in "financial distress." Emergency rates are typically approved 30 days after a filing is made. The PSC continues to process the case to develop final rates according to its ordinary timeline. Financial distress has been defined by the PSC to mean the utility is unable to pay operation and maintenance expenses and the principal and interest on the utility's debt obligations. Generally, emergency rates cannot be obtained to meet coverage requirements in bond documents, but the final rates will be established to meet coverage requirements.

TAX MATTERS

General

The following discussion of "Tax Matters" is a brief discussion of certain income tax matters with respect to the Series 2017 A Bonds under existing applicable law. It does not purport to deal with all aspects of taxation that may be relevant to the owner of a bond. Prospective investors, particularly those

who may be subject to special rules, are advised to consult their own tax advisors regarding the tax consequences of owning and disposing of the Series 2017 A Bonds.

Federal Income Tax Exemption of the Series 2017 A Bonds

In the opinion of Steptoe & Johnson PLLC, Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2017 A Bonds (i) is excludable from gross income of the holders thereof for Federal income tax purposes, assuming compliance with certain provisions described herein pertaining to the Internal Revenue Code of 1986, as amended (the "Code"); and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations. It should be noted, however, that for the purpose of calculating the alternative minimum tax on certain corporations (as defined for federal income tax purposes), such interest is taken into account as an adjustment to current earnings of such corporations. A complete copy of the proposed form of Bond Counsel Opinion for the Series 2017 A Bonds is set forth in APPENDIX D.

Assumed Compliance with Certain Covenants and Federal Tax Requirements

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2017 A Bonds. The District has covenanted to comply with certain restrictions designed to ensure that interest on the Series 2017 A Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Series 2017 A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2017 A Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Series 2017 A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2017 A Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Series 2017 A Bonds. Prospective purchasers of Series 2017 A Bonds are urged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

The tax status of the Series 2017 A Bonds could be affected by post-issuance events. There are various requirements of the Code that must be observed or satisfied after the issuance of the Series 2017 A Bonds in order for the Series 2017 A Bonds to qualify for, and retain, tax-exempt status. These requirements include those relating to use of the proceeds of the Series 2017 A Bonds, use of the facilities financed and refinanced by the Series 2017 A Bonds, investment of bond proceeds, and the rebate of so-called excess arbitrage earnings. Compliance with these requirements is the responsibility of the District.

The Internal Revenue Service ("IRS") conducts an audit program to examine compliance with the requirements regarding tax-exempt status. If the Series 2017 A Bonds become the subject of an audit, under current IRS procedures, the District would be treated as the taxpayer, and the owners of the Series 2017 A Bonds would have limited rights to participate in the audit process. The initiation of an audit with respect to the Series 2017 A Bonds could adversely affect the market value and liquidity of the Series 2017 A Bonds, even though no final determination about the tax-exempt status would have been made. If an audit were to result in a final determination that the Series 2017 A Bonds do not qualify as tax-exempt obligations, such a determination could be retroactive in effect to the date of issuance of the Series 2017 A Bonds.

Certain requirements and procedures contained or referred to in the Resolution and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Series 2017 A Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any obligations, or the interest

thereon, if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Steptoe & Johnson PLLC.

Qualified Tax-Exempt Obligations

The District has designated the Series 2017 A Bonds as a "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. The District has represented that it does not anticipate issuing more than $10 million in aggregate principal amount of obligations the interest on which is excludable from gross income for federal income tax purposes (excluding, however, obligations described in Section 265(b)(3)(C)(ii) of the Code) in 2017. In the opinion of Bond Counsel, based on the foregoing the Series 2017 A Bonds are "qualified tax-exempt obligations" and the provisions of the Code which disallow all deductibility of interest expense incurred by financial institutions on debt incurred or continued to carry most tax-exempt obligations does not apply to the Series 2017 A Bonds; accordingly, 80% of the interest expense of a financial institution incurred for the purpose of purchasing or carrying the Series 2017 A Bonds is deductible for federal income tax purposes.

Original Issue Discount

As shown on the inside cover page of this Official Statement, the initial public offering price of the Series 2017 A Bonds maturing on March 1, 2030 and March 1, 2033 (collectively, the "Discount Bonds") is less than that amount payable on such Discount Bonds at maturity. The difference between the initial public offering price at which such Discount Bonds were sold and the amount payable at maturity constitutes an original issue discount ("OID"). In the case of any original holder of a Discount Bond, the amount of the OID which is treated as having accrued with respect to such Discount Bond is added to the cost basis of the holder in determining, for federal income tax purposes, gain or loss upon its disposition (including its sale, redemption or payment at maturity). Bond Counsel is of the opinion that amounts received upon such disposition that are attributable to accrued OID will be treated as tax-exempt interest, rather than as taxable gain for federal income tax purposes.

Interest in the form of OID is treated as compounding semiannually on days which are determined by reference to the maturity date of the Discount Bonds. The amount of OID that is treated as having accrued in respect of a Discount Bond for any particular semiannual compounding period is equal to the difference between the product of (a) one-half of the yield for the Discount Bonds (adjusted as necessary for an initial short period) and (b) the tax basis of the Discount Bond during such period. For purposes of the preceding sentence, the tax basis of the Discount Bond, if held by an original purchaser, can be determined by adding to the initial public offering price of such Discount Bond the OID that is treated as having accrued during all prior semiannual compounding periods. If a Discount Bond is sold or otherwise disposed of between semiannual compounding dates, the OID that would have accrued for that semiannual compounding period for Federal income tax purposes is to be apportioned in equal amount among the days in such compounding period.

Owners of Discount Bonds should consult their own tax advisors with respect to the determination for Federal income tax purposes of OID accrued upon sale or redemption of such Discount Bonds, and with respect to the state and local tax consequences of owning such Discount Bonds.

Information Reporting and Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Series 2017 A Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who

collects such payments on behalf of the recipient. In any event, backup withholding does not affect the excludability of the interest on the Series 2017 A Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to the backup withholding should be allowed as a refund or a credit against any owner's federal income tax once the required information is furnished to the IRS.

State and Local Income Tax Exemption

In the opinion of Bond Counsel, under the Act, as presently written and applied, the Series 2017 A Bonds are exempt from taxation by the State of West Virginia and other taxing bodies of the State.

Individual Circumstances

Although Bond Counsel is of the opinion that interest on the Series 2017 A Bonds is excludable from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2017 A Bonds may otherwise affect an owner's federal liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Please be advised that, except as set forth above, Bond Counsel's opinion does not address, and Bond Counsel expresses no opinion with respect to, certain collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Series 2017 A Bonds. Prospective purchasers of the Series 2017 A Bonds should consult their own tax advisors as to such consequences.

Tax Changes

Legislation has been proposed in the past, and may be proposed again in the future, to eliminate the tax-exempt status of governmental bonds issued to finance public facilities or to limit the extent of the current tax advantages available for tax exempt bonds or to limit the use of tax-exempt bonds. Any such limitation could reduce the District's ability to finance future capital needs of the District. The effect on the District of proposed laws and regulations and future changes in federal and state laws and policies cannot be fully or accurately determined at this time.

Current and future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Series 2017 A Bonds to be subject, directly or indirectly, to federal income taxation or cause the interest on the Series 2017 A Bonds to be subject to or not exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of the Series 2017 A Bonds. Prospective purchasers of the Series 2017 A Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2017 A Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District or about the effect of future changes in the Code, the application or regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel Obligations

Bond Counsel's engagement with respect to the Series 2017 A Bonds ends with the issuance of the Series 2017 A Bonds and, unless separately engaged, Bond Counsel is not obligated to defend the District or the beneficial owners regarding the tax-exempt status of the Series 2017 A Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the District and its appointed counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of the Series 2017 A Bonds would be difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2017 A Bonds for audit, or the course or result of such audit, or an audit of tax-exempt obligations presenting similar tax issues may affect the market price for, or the marketability of, the Series 2017 A Bonds, and may cause the District or the beneficial owners to incur significant expense.

Bond Counsel's opinions represent its legal judgment based in part upon the representations and covenants referenced therein and its review of existing law, but are not a guarantee of result or binding on the IRS or the courts. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may come to Bond Counsel's attention after the date of its opinions or to reflect any changes in law or the interpretation thereof that may occur or become effective after such date.

APPROVAL OF LEGALITY

Legal matters incident to the authorization, sale and issuance of the Series 2017 A Bonds are subject to the unqualified approving opinion of Steptoe & Johnson PLLC, Charleston, West Virginia, Bond Counsel. Steptoe & Johnson PLLC, Charleston, West Virginia, as counsel to the District, will pass upon certain legal matters for the District. Bowles Rice LLP, Charleston, West Virginia, as Counsel to the Underwriter, will pass upon certain legal matters for the Underwriter.

ABSENCE OF MATERIAL LITIGATION

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body, now pending or, to the best knowledge of the District, threatened or affecting the District (or, to the District's knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the District's financial position or on the validity of the Series 2017 A Bonds, the Resolution or any agreement to which the District is a party and which is a part of the issuance of the Series 2017 A Bonds.

NEGOTIABLE INSTRUMENTS

Pursuant to State law, the Series 2017 A Bonds shall be, and shall be treated as, negotiable instruments for all purposes.

UNDERWRITING

Crews & Associates, Inc., as Underwriter, has agreed, subject to certain conditions, to purchase the Series 2017 A Bonds, at an aggregate purchase price of $2,570,839.85 (representing the par amount of $2,640,000.00, minus Underwriter's discount of $52,800.00, and minus original issue discount of $16,360.15). The Underwriter will be obligated to purchase all of the Series 2017 A Bonds if any are purchased. The Series 2017 A Bonds may be offered and sold to certain dealers (including investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the public offering price stated on the cover page of this Official Statement, and such public offering price also may be changed without prior notice, from time to time, by the Underwriter.

FINANCIAL STATEMENTS

Included herein as "APPENDIX C—AUDITED FINANCIAL STATEMENTS FOR FISCAL YEARS ENDING JUNE 30, 2016 AND JUNE 30, 2015," are the audited financial statements of the District as of and for the fiscal years ended June 30, 2016 and June 30, 2015.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of the Owners of the Series 2017 A Bonds, in accordance with the Continuing Disclosure Agreement which shall be delivered in substantially the form attached hereto as APPENDIX E, to provide Annual Financial Information not later than the last day of the fiscal year (presently June 30) immediately following the end of the District's fiscal year for which disclosure is due, commencing with the report for the fiscal year ended June 30, 2017, and to provide notice of the occurrence of the enumerated events listed therein. The Annual Information and each notice of enumerated events will be filed electronically by United Bank, Inc., Charleston, West Virginia, as dissemination agent, on behalf of the District, with the Electronic Municipal Markets Access system ("EMMA").

This continuing disclosure obligation is being undertaken to comply with Rule 15c2-12 (the "Rule") promulgated by the Securities Exchange Commission. The District has agreed to give notice in a timely manner to EMMA of any failure to supply the required information. However, any such failure will not constitute a default under the terms of the Series 2017 A Bonds. Under the Continuing Disclosure Agreement, the sole remedy for such failure is to seek an order for specific performance. See "APPENDIX E–FORM OF CONTINUING DISCLOSURE AGREEMENT." Registered Owners may contact the District's Office Manager at P.O. Box 290, 6064 Robert C. Byrd Drive, Bradley, West Virginia 25818-0290, (304) 877-5202, for more information.

RATINGS

The Series 2017 A Bonds are not rated.

MISCELLANEOUS

The foregoing summaries, explanations and quotations do not purport to be complete and are expressly made subject to the exact provisions of the complete documents. Purchasers are referred to the Act and the Resolution for full and complete statements of their provisions.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representation of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or owners of any of the Series 2017 A Bonds. The District has authorized the execution and distribution of this Official Statement.

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BRADLEY PUBLIC SERVICE DISTRICT

By: /s/ Daymon Sweeney
Its: Chairman

APPENDIX A

ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING RALEIGH COUNTY, WEST VIRGINIA

Bradley Public Service District (the "District") is located in Raleigh County, West Virginia. The seat of Raleigh County is the City of Beckley. Raleigh County is located in southern West Virginia, and is adjacent to Kanawha, Fayette, Summers, Mercer, Wyoming and Boone Counties, West Virginia.

The 2016 estimated population of Raleigh County was approximately 76,601 people. Below is a table representing Raleigh County's population and percentage of change from 2010 through 2016.

People & Income Overview (By Place of Residence)	Value	Rank in U.S.
Population (2016)	76,601	726
Growth (%) since 2010 Census	-2.9%	2,313
Households (2015)	31,274	679
Per Capita Personal Income (2015)	$35,324	2,030
Median Household Income (2015)	$38,564	2,542
Poverty Rate (2015)	19.9	756
High School Diploma or More - % of Adults 25+ (2015)	82.6%	2,183
Bachelor's Degree or More - % of Adults 25+ (2015)	18.3%	1,536

Source: US Census, City-Data.com, www.stats.indiana.edu/

Major communities within reasonable traveling distance of Raleigh County include:

Community Name	Approximate Distance (miles)
Greensboro, NC	141
Durham, NC	177
Charlotte, NC	177
Lexington-Fayette, KY	177
Columbus, OH	180
Pittsburgh, PA	196
Raleigh, NC	198
Cincinnati, OH	201
Akron, OH	229
Washington, DC	242

The following table represents the current labor force and employment data for Raleigh County and the State of West Virginia as of December for the years indicated:

Calendar Year	Area	Civilian Labor Force	Total Employment	Total Unemployment	Unemployment Rate
2016	West Virginia	771,800	732,500	39,300	5.1
	Raleigh County	28,780	27,150	1,630	5.7
2015	West Virginia	773,300	727,300	45,900	5.9
	Raleigh County	29,510	27,510	2,000	6.8
2014	West Virginia	772,300	725,700	46,600	6.0
	Raleigh County	30,240	28,220	2,020	6.7
2013	West Virginia	786,300	735,900	50,400	6.4
	Raleigh County	30,830	28,680	2,160	7.0
2012	West Virginia	799,700	741,700	58,100	7.3
	Raleigh County	32,130	29,630	2,500	7.8

Source: Workforce West Virginia

The table below lists the top 10 largest employers in Raleigh County, West Virginia as of March 2016:

Rank	Employers
1	Raleigh County Board of Education
2	Raleigh General Hospital, LLC
3	Wal-Mart Associates, Inc.
4	United States Department of Veterans Affairs
5	Appalachian Regional Healthcare
6	Alpha Natural Resources Co.
7	Cramer Security & Investigations, LLC
8	Federal Prison System
9	Little General Store, Inc.
10	Kroger

Source: Workforce West Virginia

APPENDIX B

THE DISTRICT AND THE SYSTEM

General

Bradley Public Service District (the "District") is a public corporation and public service district created under authority of The County Commission of Raleigh County, West Virginia (the "County Commission"), on December 11, 1962, pursuant to Chapter 16, Article 13A, Section 2 of the Code of West Virginia of 1931, as amended. The District's Public Service Board is composed of three members appointed by the County Commission. The District is responsible for providing sanitary sewerage collection and treatment services for an area containing approximately 8.794 square miles located in northeastern Raleigh County, West Virginia. The District serves over 1,588 customers.

The District operates one wastewater treatment plant, 3 pumping stations and 1 grinder pumping station. Approximately 4 field personnel are responsible for over 44 miles of gravity collection mains and 1.4 miles of force collection mains.

The rated average daily capacity of the System is 1.0 MGD. The rated peak demand of the System is 1.14 MGD and the actual average daily usage is .28 MGD resulting in the difference between the rated peak demand and average daily usage of .86 MGD.

The District's Board members and their offices, terms and occupations are as follows:

Member		
Daymon Sweeney, Chairman	1/22/2013–12/31/2018	Owner/Operator of Daymon's Snacks
Dorothy Redden, Secretary	1/20/2016-12/31/2022	President of Redden Wood Insurance Agency
Dwight Reggi, Treasurer	12/16/2014-12/31/2020	General Manager (retired) Bradley PSD

The following sets out an overview of the System.

The District has operated a sewer system, including, without limitation, a wastewater treatment plant, since 1980.

Sewer Usage

Annual Usage History by Source – Bradley Public Service District

Year Ended June 30	Residential Gallons	Commercial Gallons	Industrial Gallons	Public Authority Gallons	Resale Gallons	Total Gallons
2016	58,308,000	42,432,000	0	0	0	100,740,000
2015	59,621,000	46,078,000	0	0	0	105,699,000
2014	61,122,000	42,180,000	0	0	0	103,302,000
2013	61,673,000	46,936,000	0	0	0	108,609,000
2012	62,572,000	48,117,000	0	0	0	110,689,000
2011	67,131,000	44,778,000	0	0	0	111,909,000
2010	68,393,000	42,349,000	0	0	0	110,742,000

Daily Consumption History by Source (MGD) - Bradley Public Service District

Year Ended June 30	Residential MGD	Commercial MGD	Industrial MGD	Public Authority MGD	Resale MGD	Total MGD
2016	0.1597	0.1163	0	0	0	0.2760
2015	0.1633	0.1262	0	0	0	0.2895
2014	0.1675	0.1156	0	0	0	0.2831
2013	0.1690	0.1286	0	0	0	0.2976
2012	0.1714	0.1318	0	0	0	0.3032
2011	0.1839	0.1227	0	0	0	0.3066
2010	0.1874	0.1160	0	0	0	0.3034

Customer History

Customer Count by Type - Bradley Public Service District

Year Ended June 30	Residential	Commercial	Industrial	Public Authority	Resale	Total
2016	1,449	143	0	0	0	1,592
2015	1,463	142	0	0	0	1,605
2014	1,461	140	0	0	0	1,601
2013	1,493	140	0	0	0	1,633
2012	1,476	141	0	0	0	1,617
2011	1,491	126	0	0	0	1,617
2010	1,501	115	0	0	0	1,616

Major Users

Top Ten Customers Measured by Volume and as a Percentage of Total Volume
July 2015 to June 2016
Volume Billed – 100,740
(000 omitted)

Customer	Volume	% of Volume
Cranberry Woods	8,580	8.52%
Appalachian Bible College	5,592	5.55%
Oakmont Green	3,611	3.58%
WV Crossroads Mall Realty LLC	2,808	2.79%
Sheets	1,506	1.49%
Days Inn	1,252	1.24%
Maplewood Apartments	926	0.92%
Bay Manor Apartments	923	0.92%
Bradley Elementary School	641	0.64%
Marsh Fork Elementary School	381	0.38%

Top Ten Customers Measured by Revenue and as a Percentage of Total Revenue
July 2015 to June, 2016
Amount Billed - $1,185,898

Customer	Revenue	% of Revenue
Cranberry Woods	$ 61,158.64	5.16%
Appalachian Bible College	40,751.44	3.44%
Oakmont Green	29,230.00	2.46%
WV Crossroads Mall Realty LLC	20,428.84	1.72%
Sheets	11,263.36	0.95%
Days Inn	9,470.84	0.80%
Maplewood Apartments	7,171.41	0.60%
Bay Manor Apartments	7,156.56	0.60%
Bradley Elementary School	5,123.00	0.43%
Marsh Fork Elementary School	3,280.00	0.28%

Certain Officers and Personnel

6 people are employed by the District. Scott Howells – General Manager, Fran L. Shelton – Office Manager, 3 field personnel/operators, and 1 office employee.

Rates

STEP 1 RATES

(Effective for a period of 29 months)

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for general domestic, commercial, industrial and sale for resale sewer service.

(I) RATES (customer with metered water supply)

First	3,000	gallons used per month	$12.71	per 1,000 gallons
Next	3,000	gallons used per month	$10.94	per 1,000 gallons
Next	14,000	gallons used per month	$9.10	per 1,000 gallons
All Over	20,000	gallons used per month	$7.22	per 1,000 gallons

(I) FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent of 4,000 gallons of water usage, $49.07 per month.

(I) MINIMUM CHARGE

No bill will be issued for less than $38.13 per month.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the sewer utility up to a maximum of $25.00 will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

DISCONNECT/RECONNECT/ADMINISTRATIVE FEES

Whenever water service has been previously disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with Beckley Water Company, a disconnection fee of $25.00 shall be charged; or, in the event the delinquent sewer bill is collected by the Beckley Water Company or Raleigh County Public Service District, an administrative fee of $20.00 shall be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with Beckley Water Company or Raleigh County Public Service District is reconnected, a reconnection fee of $20.00 shall be charged.

SECURITY DEPOSIT

Not to exceed two-twelfths (2/12) of the average annual usage of the applicant's specific customer class, or fifty dollars, whichever is greater. This fee may be changed by applicable statutory provisions.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent will be added to the net current amount unpaid. This delayed payment penalty is not interest and is only to be collected only once for each bill where it is appropriate.

TAP FEE

The following charge is to be made whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

(I) LEAK ADJUSTMENT

$1.47 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SURFACE OR GROUND WATER SURCHARGE

An additional amount shall be charged where surface or groundwater is introduced into the sanitary system where evidence of a violation exists.

Surcharge formula to be applied in cases where surface drainage is connected to the utility's sewer system.

(I) Indicates increase

APPLICABILITY

Whenever the utility has discovered that a customer's roof drain, downspouts, storm sewer, or other similar facilities conducting surface water has been connected to the utility's sewer system and such customer has failed to take appropriate action within thirty (30) days of receipt of a demand by the utility, in accordance with the Rules of the Public Service Commission to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

$$S=A \times R \times .0006233 \times C$$

S	=	The surcharge in dollars.
A	=	The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet.
R	=	The measured monthly rainfall, in inches.
.0006233	=	A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water.
C	=	The District's approved rate per thousand gallons of metered water usage.

The utility shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system. The surcharge shall be calculated and imposed for each month the condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules of the Public Service Commission of West Virginia.

STEP 2 RATES

(Effective After a Period of 29 Months)

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for general domestic, commercial, industrial and sale for resale sewer service.

(D) RATES (customer with metered water supply)

First	3,000	gallons used per month	$12.39	per 1,000 gallons
Next	3,000	gallons used per month	$10.65	per 1,000 gallons
Next	14,000	gallons used per month	$8.86	per 1,000 gallons
All Over	20,000	gallons used per month	$7.03	per 1,000 gallons

(D) FLAT RATE CHARGE (Customers with non-metered water supply)
Equivalent of 4,000 gallons of water usage, $47.82 per month.

(D) MINIMUM CHARGE
No bill will be issued for less than $37.17 per month.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the sewer utility up to a maximum of $25.00 will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

DISCONNECT/RECONNECT/ADMINISTRATIVE FEES

Whenever water service has been previously disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with Beckley Water Company, a disconnection fee of $25.00 shall be charged; or, in the event the delinquent sewer bill is collected by the Beckley Water Company or Raleigh County Public Service District, an administrative fee of $20.00 shall be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with Beckley Water Company or Raleigh County Public Service District is reconnected, a reconnection fee of $20.00 shall be charged.

(D) Indicates decrease

SECURITY DEPOSIT

Not to exceed two-twelfths (2/12) of the average annual usage of the applicant's specific customer class, or fifty dollars, whichever is greater. This fee may be changed by applicable statutory provisions.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent will be added to the net current amount unpaid. This delayed payment penalty is not interest and is only to be collected only once for each bill where it is appropriate.

TAP FEE

The following charge is to be made whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

LEAK ADJUSTMENT

$1.47 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SURFACE OR GROUND WATER SURCHARGE

An additional amount shall be charged where surface or groundwater is introduced into the sanitary system where evidence of a violation exists.

Surcharge formula to be applied in cases where surface drainage is connected to the utility's sewer system.

APPLICABILITY

Whenever the utility has discovered that a customer's roof drain, downspouts, storm sewer, or other similar facilities conducting surface water has been connected to the utility's sewer system and such customer has failed to take appropriate action within thirty (30) days of receipt of a demand by the utility, in accordance with the Rules of the Public Service Commission to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

$$S=A \times R \times .0006233 \times C$$

S	=	The surcharge in dollars.
A	=	The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet.
R	=	The measured monthly rainfall, in inches.
.0006233	=	A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water.
C	=	The District's approved rate per thousand gallons of metered water usage.

The utility shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system. The surcharge shall be calculated and imposed for each month the condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules of the Public Service Commission of West Virginia.

Billing and Collections

The District renders a monthly bill to all of its customers. Payments are due 20 days after the billing date. If a bill remains unpaid beyond the due date, a 10 percent penalty is added to the delinquent account and delinquency procedures are initiated, including the mailing of termination notices and termination of service 60 days after the initial due date. Service on a delinquent account remains terminated until payment of the account is made. A disconnect/connect charge of $45.00 is required to reinstate a previously delinquent account.

The District has a policy of writing off accounts determined to be uncollectible.

Deferred payment plans are available for any residential customer who can demonstrate inability to pay a System bill in full and that service termination would be dangerous to such customer's health or safety.

System Budget and Expenditures

The District's staff prepares a draft budget for System operations for each Fiscal Year. The District's budget is compiled from this draft budget and submitted to the Board on or before May 10th of each year. The budget is required by state code and bond covenants to indicate operating expenditures and capital expenditures proposed for the ensuing fiscal year.

Method of Accounting

The District maintains its accounts pertaining to the System on an accrual basis and in accordance with the guidelines of the West Virginia Public Service Commission. The records of the District for the fiscal years ended June 30, 2012, June 30, 2013, June 30, 2014, June 30, 2015 and June 30, 2016 have been audited and are available for public inspection at the District.

Summary of Historical Revenues and Expenses

Summary Statement of Income and Expense (Fiscal Year Ended June 30)[1]

	Audited FY 2012	Audited FY 2013	Audited FY 2014	Audited FY 2015	Audited FY 2016	Projected FY 2017
Operating Revenues	1,220,720	1,224,755	1,221,750	1,233,957	1,212,274	1,229,000
Interest/Other Income	18,407	26,014	4,182	2,989	3,079	3,100
Total Cash	1,239,127	1,250,769	1,225,932	1,236,946	1,215,353	1,232,100
*Less: O&M Expenses	(722,296)	(668,037)	(707,406)	(656,394)	(683,726)	(656,000)
Cash Available for Debt Service	516,831	582,732	518,526	580,552	531,627	576,100
Debt Service Requirements	522,131	522,131	522,131	522,131	522,131	522,131
Remaining Cash	(5,300)	60,601	(3,605)	58,421	9,496	53,969
Debt Service Coverage	98.98%	111.61%	98.99%	111.07%	101.70%	110.34%

*O & M Expenses are net of depreciation & amortization

(1) Source: Lowe & Associates PLLC. The Projected FY 2017 was calculated by taking the District's 2.17% rate increase that was granted in November 2016, which would be approximately $25,000 per year, and taking 10 months of that figure ($17,000) and adding it to the prior year operating revenues (1,212,274 + $17,001 = $1,229,275). The Expenses were an estimate of taking an average of the prior two years' expenses.

As of the end of its fiscal years ending June 30, 2012, June 30, 2013, June 30, 2014 and June 30, 2016, the District was not in compliance with the covenants set forth in the bond resolutions authorizing the issuance of the Prior Bonds and the Refunded Bonds requiring the District to maintain and charge rates sufficient to provide for all operating expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on its outstanding bonds, provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit in the reserve accounts for such bonds, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on its outstanding bonds. Such noncompliance constituted an event of default under the respective bond resolutions relating to such outstanding bonds. However, the holders of such outstanding bonds have not exercised any available remedies as a result of such default, which available remedies are similar to the remedies set forth in the Resolution included in Appendix G attached hereto. Based upon the notes to the District's Financial Statements for the Fiscal Years ended June 30, 2015 and June 30, 2014, each of the reserve accounts for the Prior Bonds and the Refunded Bonds was funded to the required amount as of June 30, 2015. The District has

established rates effective for all bills rendered by the District on and after November 21, 2016, that have been approved by the Public Service Commission of West Virginia (the "PSC") that, based upon the Recommended Decision of the PSC approving such rates, will provide debt service coverage of 116.22% for the first 29 months and 110.06% thereafter.

Retirement System

The District is a member of the Public Employees Retirement System of the State of West Virginia. The District contributes 12.0% of covered employees' gross wages. Employee contributions are 4.5% of their wages for hired dates before July 1, 2015 and 6.0% of their wages for hired dates on and after July 1, 2015.

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

June 8, 2017

Bradley Public Service District
Bradley, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Re: Bradley Public Service District
Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified)

Ladies and Gentlemen:

We have acted as bond counsel to Bradley Public Service District (the "Issuer") and in such capacity have examined a record of proceedings relating to the issuance by the Issuer of its $2,640,000 aggregate principal amount of Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified) (the "Series 2017 A Bonds").

The Series 2017 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia including, particularly, Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Resolution duly adopted by the Public Service Board of the Issuer on May 17, 2017, as supplemented by a Supplemental Parameters Resolution duly adopted by the Public Service Board of the Issuer on May 17, 2017, and a Certificate of Determinations executed by the Chairman on March 25, 2017 (collectively, the "Bond Legislation"), and are subject to all the terms and conditions of the Bond Legislation. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Bond Legislation.

The Series 2017 A Bonds are issued in fully registered form, are dated their date of original issuance, June 8, 2017, mature on March 1 in the years and amounts (commencing March, 2018), and bear interest payable March 1 and September 1, commencing September 1, 2017, all as set forth in the Bond Legislation.

The Bond Legislation provides that the Series 2017 A Bonds are issued for the purpose, along with other funds of the Issuer available therefor, of (i) paying a portion of the cost of currently refunding the Issuer's Sewer Revenue Bonds, Series 1978, dated December 17, 1979, issued in the original aggregate principal amount of $1,522,000; Sewer Revenue Bonds, Series 1995 A, dated March 16, 1995, issued in the original aggregate principal amount of $2,000,000; Sewer Revenue Bonds, Series 1995 B, dated March 16, 1995, issued in the original aggregate principal amount of $1,676,000; and Sewer Revenue Bonds, Series 1995 C, dated March 16, 1995, issued in the original aggregate principal amount of $250,000 (collectively, the "Bonds to be Refunded"); (ii) funding the Series 2017 A Bonds Reserve Account in an amount equal to the Series 2017 A Bonds Reserve Requirement; and (iii) paying certain costs of issuance of the Series 2017 A Bonds and related costs.

The Series 2017 A Bonds have been sold to Crews & Associates, Inc. (the "Underwriters"), pursuant to a Bond Purchase Agreement, dated May 25, 2017 (the "Bond Purchase Agreement"), between the Underwriters and the Issuer.

As to questions of fact material to our opinion, we have relied upon representations and warranties of the Issuer and other entities, the representations and warranties contained in the Bond Legislation, the Bond Purchase Agreement, the Continuing Disclosure Agreement, dated June 8, 2017 (the "Continuing Disclosure Agreement"), between the Issuer and United Bank, Inc., the Tax Certificate and Agreement, dated the date hereof (the "Tax Certificate"), executed by the Issuer, and the certified proceedings and other certifications of certain officials of the Issuer and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants and representations of the Issuer and others set forth in the Bond Legislation, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Certificate and such certifications, we are of the opinion, under existing law, that:

1. The Issuer is a duly organized and validly existing public service district under and pursuant to the laws of the State of West Virginia, with full power and authority to adopt the Bond Legislation, enter into the Bond Purchase Agreement, the Continuing Disclosure Agreement and Tax Certificate, perform its obligations under the terms and provisions thereof and to issue and sell the Series 2017 A Bonds, all under the provisions of the Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted the Bond Legislation, has authorized, executed and delivered the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Tax Certificate, has authorized the distribution of the Official Statement in connection with the marketing and sale of the Series 2017 A Bonds, and has issued and delivered the Series 2017 A Bonds to the Underwriters pursuant to the Bond Purchase Agreement. The Bond Legislation is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Tax Certificate constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms. We have examined the executed and authenticated Series 2017 A Bonds of said issue and, in our opinion, said Series 2017 A Bonds are in proper form and have been duly executed and authenticated.

4. The Series 2017 A Bonds have been duly authorized, executed and delivered by the Issuer and, assuming proper authentication, constitute valid and legally enforceable limited obligations of the Issuer, payable from and secured by a first lien on the Net Revenues of the System, on a parity with the Issuer's: (i) Sewer Revenue Bonds, Series 2005 A (State Revolving Fund), dated January 14, 2005, issued in the original aggregate principal amount of $6,192,677 and held by the West Virginia Water Development Authority; and (ii) Sewer Revenue Bonds, Series 2002 A (State Revolving Fund), dated June 25, 2002, issued in the original aggregate principal amount of $293,000 and held by the West Virginia Water Development Authority (collectively referred to herein as the "Prior Bonds.")

The Series 2017 A Bonds are enforceable in accordance with their terms and the terms of the Bond Legislation, and are entitled to the benefits of the Bond Legislation and the Act.

5. The Bonds to be Refunded have been paid within the meaning and with the effect expressed in the Bond Resolutions, as supplemented, pursuant to which the Bonds to be Refunded were

issued, and the covenants, agreements and other obligations of the Issuer to the holders and owners of the Bonds to be Refunded have been satisfied and discharged.

6. Under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2017 A Bonds is excludable from gross income of the holders thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations. It should be noted, however, that for the purpose of calculating the alternative minimum tax on certain corporations (as defined for federal income tax purposes), such interest is taken into account as an adjustment to current earnings of such corporations.

Ownership of tax-exempt obligations, including the Series 2017 A Bonds, may result in collateral federal income tax consequences to certain taxpayers. We offer no opinion as to such collateral tax consequences or any other federal tax consequences arising with respect to the Series 2017 A Bonds. Prospective purchasers of the Series 2017 A Bonds should consult their own tax advisors as to such consequences.

The Issuer has designated the par amount of the Series 2017 A Bonds as "Qualified Tax-Exempt Obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, and regulations thereunder (the "Code") and has covenanted that not more than $10,000,000 aggregate principal amount of obligations, including the Series 2017 A Bonds, the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations described in Section 265(b)(3)(C)(ii) of the Code), have been or shall be issued by the Issuer or any entities subordinate to it, during the calendar year 2017, all as determined in accordance with the Code.

The opinions set forth in this paragraph 6 are subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied for interest on the Series 2017 A Bonds to be or continue to be excludable from gross income for federal income tax purposes, and with all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Series 2017 A Bonds set forth in the Bond Legislation, the Tax Certificate and the certifications of the Issuer and others (collectively, the "Tax Covenants"). Failure to comply with the Tax Covenants could cause the interest on the Series 2017 A Bonds to be included in gross income retroactively to the date of issuance of the Series 2017 A Bonds.

7. Under the Act, the Series 2017 A Bonds and the interest thereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

8. The Series 2017 A Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and the West Virginia Uniform Securities Act, as amended, and it is not necessary, in connection with the public offering and sale of the Series 2017 A Bonds, to register any securities under said Securities Acts.

It is to be understood that the rights of the holders of the Series 2017 A Bonds and the enforceability of the Series 2017 A Bonds, the Bond Legislation, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Certificate, and the liens, pledges, rights or remedies with respect thereto, are subject to and may be limited by any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally and that their enforcement may also be subject to the application of public policy, general principles of equity and the exercise of judicial discretion in appropriate cases.

The opinions expressed in this letter are based upon the law in effect on the date hereof, and may be affected by actions taken or omitted or events occurring after the date hereof, including subsequent interpretations of the applicable law by competent judicial, regulatory and administrative authorities that modify, revoke, supplement, reverse, overrule or otherwise change applicable law and current interpretations thereof. We assume no obligation to revise or supplement this opinion should such law be changed by legislative action, judicial decision, or otherwise, or to determine or to inform any person whether any such actions are taken or omitted or any such events occur.

Very truly yours,

STEPTOE & JOHNSON PLLC

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement") is by and between Bradley Public Service District (the "District"), and United Bank, Inc., Charleston, West Virginia (the "Dissemination Agent"), in connection with the issuance of $2,640,000 Bradley Public Service District Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified) (the "Bonds"). The Series 2017 A Bonds are being issued pursuant to the Resolution adopted by the Public Service Board of the District on May 17, 2017, as supplemented by a Supplemental Parameters Resolution adopted by the Public Service Board of the District on May 17, 2017 and a Certificate of Determinations dated May 25, 2017 (collectively, the "Resolution"). The District and Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of Agreement. This Agreement is being executed and delivered by the District and Dissemination Agent for the benefit of the holders and Beneficial Owners of the Series 2017 A Bonds and in order to assist the Participating Underwriter in complying with SEC Rule 15c2-l2.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution and the Bond Purchase Agreement relating to the Bonds dated May 25, 2017, which apply to any capitalized term used in this Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Financial Information" means, collectively, the Financial Information and Operating Data as herein defined.

"Audited Financial Statements" means the annual financial statements with respect to the System, prepared in accordance with GAAP, which financial statements shall have been audited by an Independent Certified Public Accountant or the Office of the Auditor of the State of West Virginia.

"Beneficial Owner" shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Disclosure Representative" shall mean the then current Office Manager of the District, or his or her designee.

"Dissemination Agent" shall initially mean United Bank, Inc., or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System described in the 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board for purposes of the Rule (as hereinafter defined).

"Financial Information" means the Audited Financial Statements for the most recent fiscal year if available on the Due Date and, if not then available, unaudited financial statements of the System for the most recent fiscal year, with the Audited Financial Statements for such fiscal year to be provided when available.

"Listed Events" shall mean any of the events listed in Section 5(a) of the Agreement.

"National Repository" shall mean the Municipal Securities Rulemaking Board, Washington, D.C., the sole Nationally Recognized Municipal Securities Information Repository for purposes of the Rule (as hereinafter defined), effective as of July 1, 2009.

"Operating Data" shall mean the information regarding the System for the most recent fiscal year, as well as the four (4) immediately prior fiscal years, as reflected in the "Form of Filing of Operating Data" attached hereto as Exhibit B. The District may amend and/or modify the Form of Filing of Operating Data one or more times prior to the maturity of the Series 2017 A Bonds if such amendment or modification, in the reasonable opinion of the District, at its sole discretion, provides either additional information, or additional clarity, with respect to information being provided, regarding the System.

"Participating Underwriter" shall mean the original underwriter(s) of the Series 2017 A Bonds who are required to comply with the Rule (as hereinafter defined) in connection with offering of the Series 2017 A Bonds.

"Repository" shall mean each National Repository and the State Repository, if any.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of West Virginia.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Agreement, there is no State Repository.

"System" shall mean, collectively, the sanitary sewerage collection and treatment system of the District as of the date of this Agreement, and all future additions, extensions and betterments thereto.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the last day of the fiscal year (presently June 30) immediately following the end of the District's fiscal year (presently June 30) for which disclosure is due (the "Due Date"), commencing with the report for the Fiscal Year ending June 30, 2017, provide to EMMA the Annual Financial Information which is consistent with the requirements of this Agreement. The Annual Financial Information may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Agreement. The District shall provide the Dissemination Agent with a copy of the Annual Financial Information to be filed under this Agreement. If the District's fiscal year changes, the District shall give notice of such change in the same manner as for a Listed Event under Section 5(a). The Dissemination Agent shall send written notice to the District sixty (60) days prior to the Due Date of the Annual Financial Information that such information is due by the Due Date. Such notice from the Dissemination Agent shall include notification to the District of any prior fiscal years for which Annual Financial Information is due.

(b) Not later than thirty (30) Business Days prior to the Due Date, the District shall provide the Annual Financial Information to the Dissemination Agent. If by the Due Date the Dissemination Agent has not received all, or any portion of, the Annual Financial Information, the Dissemination Agent shall contact the District to determine if the District is in compliance with the first sentence of this

subsection (b). If the Dissemination Agent is unable to provide to EMMA all, or any portion of, the Annual Financial
Information by the date required in subsection (a), the Dissemination Agent shall (i) file with EMMA any portion of the Annual Financial Information which the District has provided, and (ii) send a notice to EMMA in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall file a report with the District certifying that the Annual Financial Information has been provided to EMMA pursuant to this Agreement and the date provided.

SECTION 4. Content of Annual Financial Information. The Annual Financial Information shall include the Financial Information and the Operating Data, as defined in this Agreement.

Any or all of the items comprising the Annual Financial Information may be included by specific reference to other documents, including official statements of debt issues of the District secured by the revenues of the System, which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Series 2017 A Bonds:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

7. Modifications to rights of security holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Series 2017 A Bonds, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership, or similar event of the District[1];

13. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action; or the termination of a definitive agreement relating to any such actions, other than pursuant to its term, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) The Dissemination Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Disclosure Representative, inform such person of the event, and request that the District promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (f).

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event classified under Section 5(a) (2), (7), (8), (10), (13) or (14), because of a notice from the Dissemination Agent pursuant to Section 5(b) or otherwise, the District shall as soon as possible determine if such event would be material under applicable federal securities laws, in any event such determination must be made and submitted to the Dissemination Agent within two (2) business days.

(d) If the District determines that knowledge of the occurrence of any of the Listed Events classified under Section 5(a) (2), (7), (8), (10), (13) or (14) would be material under applicable federal securities laws pursuant to subsection (b), or the District receives notice of any Listed Event that does not require a finding of materiality classified under Section 5(a) (1), (3), (4), (5), (6), (9), (11) or (12), the District shall promptly file with the Dissemination Agent a notice of such occurrence to be provided to EMMA.

(e) If in response to a request from the Dissemination Agent under Section 5(b), the District determines that the Listed Event, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), would not be material under applicable federal securities laws, the District shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the District to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with EMMA with a copy to the District. The Dissemination Agent will exercise its best efforts to file such notice with EMMA within ten (10) business days of the occurrence of such Listed Event.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2017 A Bonds. If such termination occurs prior to the final maturity of the Series 2017 A Bonds,

[1] For the purposes of the event identified in Section 5(a)(12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

the District shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

SECTION 7. Dissemination Agent. United Bank, Inc., Charleston, West Virginia, is hereby appointed as Dissemination Agent. The District may, from time to time, appoint or engage an alternate or successor Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Agreement.

SECTION 8. Amendment, Waiver. Notwithstanding any other provision of this Agreement, the District and the Dissemination Agent may amend this Agreement (and the Dissemination Agent shall agree to any amendment so requested by the District) and any provision of this Agreement may be waived (and the Dissemination Agent shall agree to any waiver so requested by the District), if such amendment or waiver is supported by an opinion of nationally recognized counsel expert in federal securities laws acceptable to the District and the Dissemination Agent to the effect that such amendment or waiver should not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in, or official interpretation of, the Rule.

SECTION 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events, in addition to that which is required by this Agreement. If the District chooses to include any information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events in addition to that which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events.

SECTION 10. Default. In the event of a failure of the District or Dissemination Agent to comply with any provision of this Agreement (and, at the request of the Participating Underwriter), the Dissemination Agent may or any Holder or Beneficial Owner of the Series 2017 A Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District or Dissemination Agent to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the District or Dissemination Agent to comply with this Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement, and the District agrees to the extent permitted by State law, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and/or liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities as a result of the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2017 A Bonds.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Agreement shall be given as first class United States mail, postage prepaid, to the following:

To the District:	Bradley Public Service District Post Office Box 290 Bradley, WV 25818-0290 Attention: Office Manager
To the Dissemination Agent:	United Bank, Inc. 500 Virginia Street, East Charleston, WV 25301 Attention: Corporate Trust Department

Any person may, by written notice to the other persons listed above, designate a different address to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. This Agreement shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Series 2017 A Bonds, and shall create no rights in any other person or entity.

SECTION 14. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. Fees. The District agrees to pay all fees and expenses of the Dissemination Agent including, without limitation, all reasonable expenses, charges, costs, attorney's fees and other disbursements in the administration and performance of the Dissemination Agent's duties.

SECTION 16. Right to Resign. The Dissemination Agent may resign at any time by providing thirty (30) days' written notice to the District.

SECTION 17. Right to Counsel. The Dissemination Agent shall have the right to consult with counsel in carrying out its duties under this Agreement and to rely upon an opinion of counsel.

[The remainder of this page intentionally left blank.]

IN WITNESS THEREOF, the District has caused this Agreement to be executed by its duly authorized representative this 8th day of June, 2017.

BRADLEY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

UNITED BANK, INC.,
as Dissemination Agent

By: _____

Its: _____

EXHIBIT A

NOTICE TO REPOSITORIES OF
FAILURE TO FILE ANNUAL FINANCIAL INFORMATION

Name of District: Bradley Public Service District

Name of Issue: $2,640,000 Bradley Public Service District Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified)

Date of Issuance: June 8, 2017

Notice is hereby given that the District has not provided United Bank, Inc., as Dissemination Agent, all [or a portion of] the Annual Financial Information with respect to the above-named Bonds as required by the Continuing Disclosure Agreement executed in connection with the above-referenced bond issue. The District has advised the Dissemination Agent that it anticipates that the Annual Financial Information, or remaining Annual Financial Information, will be available to be filed by _____, 20__.

Dated this _____, 20__.

UNITED BANK, INC.,
as Dissemination Agent

By: _____
Its: Duly Authorized Officer

EXHIBIT B

FORM OF FILING OF OPERATING DATA
(This Form Utilizes the Fiscal Year ended June 30, 2016 for Illustrative Purposes Only)

Name of District: Bradley Public Service District

Name of Issue: $2,640,000 Bradley Public Service District Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified)

Date of Issuance: June 8, 2017

Operating Data
For Fiscal Year Ending: June 30, 20__

In compliance with the requirements of the Continuing Disclosure Agreement executed by Bradley Public Service District in conjunction with the above-referenced bonds, the following Operating Data with respect to the System is provided for the above-stated fiscal year and, where noted, for the four (4) immediately preceding fiscal years.

SYSTEM OPERATING DATA

Debt Service Coverage

The Audited Financial Statements for the fiscal year ended June 30, 20___ with respect to the System which have been, or will be, filed as part of the Annual Financial Information include a calculation of debt service coverage, which is incorporated herein by reference.

Sewerage Usage by Classification

The sewerage usage by customer classification for the past five Fiscal Years are as follows:

Annual Usage History by Source – Bradley Public Service District						
Year Ended June 30	Residential Gallons	Commercial Gallons	Industrial Gallons	Public Authority Gallons	Resale Gallons	Total Gallons

Customer Statistics

The customer count by type for the past five Fiscal Years are as follows:

Customer County by Type – Bradley Public Service District						
Year Ended June 30	Residential	Commercial	Industrial	Public Authority	Resale	Total

Major Users

The following table sets forth the **ten largest customers** of the System and related annual revenues for the fiscal year ended June 30, 20__.

Top Ten Customers Measured by Revenue and as a Percentage of Total Revenue July ____ to June ____ Amount Billed - $		
Customer	Revenue	% of Returns

APPENDIX F

RATE TARIFF

BRADLEY PUBLIC SERVICE DISTRICT
SEWER REFUNDING REVENUE BONDS,
SERIES 2017 A (BANK QUALIFIED)

BOND PURCHASE AGREEMENT

May 25, 2017

Bradley Public Service District
6064 Robert C. Byrd Drive
Bradley, WV 25818

Ladies and Gentlemen:

Crews & Associates, Inc. (the "Underwriter") offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with Bradley Public Service District (the "District" and, collectively with the Underwriter, the "Parties") for the purchase of the District's Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified) (the "Bonds"). This offer is made subject to acceptance and execution of this Purchase Agreement by the District prior to 7:00 p.m., local prevailing time on the date hereof, or until withdrawn by the Underwriter upon written notice to the District as permitted herein, whichever shall occur earlier. Upon such acceptance and approval, as evidenced by the signature of the Chairman of the District in the space provided below, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the District and the Underwriter. All capitalized terms used in this Purchase Agreement and not otherwise defined herein shall have the meanings set forth in the hereinafter described the Resolution.

The District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the District and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent or fiduciary of the District, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the District with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the District on other matters), (iv) the Underwriter has no obligation to the District with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Agreement, and (v) the District has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

1. The Bonds are being issued by the Bradley Public Service District (the "District"), together with other funds available therefor, to: (i) provide funds to currently refund the District's Sewer Revenue Bonds, Series 1978 (the "Series 1978 Bonds"), Sewer Revenue Bonds, Series 1995 A (the "Series 1995 A Bonds"), Sewer Revenue Bonds, Series 1995 B (the "Series 1995 B Bonds"), and Sewer Revenue Bonds, Series 1995 C (the "Series 1995 C Bonds" and collectively with the Series 1978 Bonds, the Series 1995 A Bonds and the Series 1995 B

Bonds, the "Refunded Bonds"); (ii) fund a debt service reserve account for the Series 2017 A Bonds in an amount equal to the Series 2017 A Bonds Reserve Requirement; and (iii) pay costs of issuance of the Bonds and related costs.

The Bonds shall be as described in, and shall be issued and secured under and pursuant to the provisions of the Bond Resolution duly adopted by the Public Service Board (the "Board") of the District on May 17, 2017, as supplemented by a Supplemental Parameters Resolution duly adopted by the Public Service Board of the District pursuant to the Resolution on May 17, 2017, and a Certificate of Determinations, signed by the Chairman of the District, on May 25, 2017 (collectively, the "Resolution"). The Bonds shall be secured by the Net Revenues derived by the District from the operation by the District of its existing sanitary sewerage collection and treatment system and any extensions, additions, improvements or betterments thereto (collectively, the "System") on parity with the Prior Bonds, and by the Series 2017 A Bonds Sinking Fund and the Series 2017 A Bonds Reserve Account.

Upon the terms and conditions and upon the basis of the representations and warranties set forth in this Purchase Agreement, the Underwriter agrees to purchase from the District, and the District agrees to sell to the Underwriter, the Bonds, at an aggregate purchase price of $2,570,839.85 (representing the par amount of $2,640,000.00 minus Underwriter's discount of $52,800.00 and minus net original issue discount of $16,360.15).

The Bonds shall mature on the dates and in the amounts, and shall bear interest from their date, until maturity or until the date fixed for redemption if the Bonds are called for prior redemption and payment on such date provided therefore, payable semiannually on March 1 and September 1 (each an "Interest Payment Date"), commencing September 1, 2017, as more fully described in Exhibit A attached hereto and incorporated herein by reference.

The Underwriter agrees to make a bona fide public offering of the Bonds at the initial offering prices as set forth in the Official Statement (as hereinafter defined) and in Exhibit A, which prices may be changed from time to time by the Underwriter.

2. Within seven (7) business days of the acceptance of this Purchase Agreement by the District, the District shall deliver or cause to be delivered to the Underwriter three copies of the Official Statement relating to the Bonds, substantially in the form of the Preliminary Official Statement, dated May 23, 2017 (the "Preliminary Official Statement"), and, prior to delivery of the Bonds, seven copies of the Official Statement (the "Official Statement") dated the date of this Purchase Agreement, signed on behalf of the District by its Chairman as requested below.

3. The Official Statement has been approved for distribution by the Resolution. The District authorizes the use of copies of the Official Statement and the Resolution in connection with the public offering and sale of the Bonds.

On May 23, 2017, the District delivered to the Underwriter the Preliminary Official Statement and the Underwriter received a certificate from the District which deemed the Preliminary Official Statement "final" within the meaning of the clause (b)(1) of Rule 15c2-12 of

the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the "Rule" or "Rule 15c2-12") and Rule G-32 and all other rules of the Municipal Securities Rulemaking Board. The District shall deliver or cause to be delivered to the Underwriter, after the acceptance by the District of this Purchase Agreement, and within the time required by Rule 15c2-12, an adequate number of copies of the Official Statement.

Unless otherwise notified in writing by the Underwriter on or prior to the date of Closing, the "End of the Underwriting Period" for the Bonds for all purposes of Rule 15c2-12 is the date of the Closing, as hereinafter defined. In the event such notice is given in writing by the Underwriter, the Underwriter agrees to notify the District in writing following the occurrence of the End of the Underwriting Period for the Bonds as defined in Rule 15c2-12.

The District covenants and agrees that if, after the date of this Purchase Agreement and until after the End of the Underwriting Period (as determined above), any event shall occur of which the District has actual knowledge as a result of which it is necessary to amend or supplement the Official Statement to make the Official Statement not misleading in any material respect in light of the circumstances then existing, or if it is necessary to amend or supplement the Official Statement to comply with law, to notify the Underwriter (and for the purposes hereof to provide the Underwriter with such information as they may from time to time reasonably request), and to cooperate in the preparation of a reasonable number of copies of either amendments or supplements to the Official Statement (in form and substance satisfactory to the Underwriter and its counsel) at the expense of the District so that the Official Statement as so amended and supplemented will not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading in any material respect.

For the purposes of this paragraph and for only so long as required by this paragraph, the District will furnish such information with respect to itself as the Underwriter from time to time reasonably requests. The Underwriter hereby agrees that it will deposit or cause to be deposited with the Municipal Securities Rulemaking Board a copy of the Official Statement at or prior to the time contemplated by Rule 15c2-12.

The Underwriter acknowledges and agrees that any liability of the District that may arise from its representations and agreements made in this paragraph 3 shall be limited to the proceeds of the Bonds (provided that the foregoing shall not be deemed to prevent the Underwriter or the District from seeking to enforce such agreements).

4. At 1:00 p.m. prevailing time, on June 8, 2017, or such other date as shall be agreed upon by the Parties (the "Closing"), the District will deliver or cause to be delivered to the Underwriter, (a) the Bonds in the form of one certificate for each maturity fully registered in the name of CEDE & CO., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), duly executed by the District and authenticated by the Registrar, and (b) at such other place as mutually agreed upon by the Parties, will deliver to the Underwriter the other documents required in this Purchase Agreement and by the Resolution.

Upon such delivery of the Bonds, the Underwriter will accept such delivery and pay the purchase price therefor, in immediately available funds to the order of the Depository Bank, for the account of the District. Such delivery shall be made through DTC, with the payment and other requisite actions to be taken at the place designated by the Parties. The Bonds shall be made available to the Underwriter at DTC at least forty-eight (48) hours before the Closing for the purpose of inspection and packaging; provided, that if DTC Fast delivery is used, then the Bonds shall be made available to the Registrar by 4:00 p.m. on June 8, 2017. If the District does not have a Blanket DTC Letter of Representations (the "DTC Letter of Representations"), the District agrees to provide one to DTC.

5. The District represents and warrants to the Underwriter and agrees that:

(a) The District is a public service district, public corporation and political subdivision of the State of West Virginia located in Raleigh County of said State. The District has been duly authorized to operate and maintain the System. The Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the "State"), specifically, Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the "Act");

(b) The District shall have complied and will comply at the Closing in all respects with all applicable statutes and laws, including the Act;

(c) The District has full legal right, power and authority to issue bonds for purposes provided in the Resolution and to enter into this Purchase Agreement, to adopt the Resolution and to issue, sell and deliver the Bonds to the Underwriter as provided herein and to carry out and consummate all other transactions contemplated by each of the aforesaid documents;

(d) The information contained in the Preliminary Official Statement dated May 23, 2017, and in the Official Statement, is, and as of the Closing Date (as hereinafter defined), will be, to the best knowledge of the District, true in all material respects and to the best knowledge of the District does not contain and will not contain any untrue statement of a material fact and does not omit and will not omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(e) At the time of the District's acceptance hereof and (unless an event occurs of the nature described in subparagraph (i) hereof) at all times during the period from the date of this Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Bonds (as determined in accordance with subparagraph (i) hereof), to the best knowledge of the District, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(f) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at

all times during the period from the date of this Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Bonds (as determined in accordance with subparagraph (i) hereof), the Official Statement as so supplemented or amended, to the best knowledge of the District will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(g) If during the period from the date of this Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Bonds (as determined in accordance with subparagraph (i) hereof) any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the District shall notify the Underwriter of any such event of which it has knowledge and, if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the District will prepare and furnish to the Underwriter (i) a reasonable number of copies of the supplement or amendment to the Official Statement in form and substance approved by the District and acceptable to the Underwriter, and (ii) if such notification shall be subsequent to the Closing, such legal opinion, certification, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement;

(h) Prior to the District's acceptance hereof, the District delivered to the Underwriter copies of the Preliminary Official Statement which the District deemed final (for purposes of Rule 15c2-12) as of the date thereof; provided however, that in making the representation and warranty contained in this paragraph (h) the District shall not be deemed to have made any additional representation or warranty as to the Preliminary Official Statement other than the representation and warranty contained in paragraph (e);

(i) For purposes of this Purchase Agreement, the End of the Underwriting Period for the Bonds shall mean the earlier of (a) the day of the Closing unless the District has been notified in writing by the Underwriter, on or prior to the day of the Closing, that the End of the Underwriting Period for the Bonds for all purposes of Rule 15c2-12 will not occur on the day of the Closing, or (b) the date on which notice is given to the District by the Underwriter in accordance with the following sentence. In the event that the Underwriter has given notice to the District pursuant to clause (a) above that the End of the Underwriting Period for the Bonds will not occur on the day of the Closing, the Underwriter agrees to notify the District in writing as soon as practicable following the "end of the underwriting period" for the Bonds for all purposes of the Rule;

(j) At or prior to the Closing, the District shall have duly authorized, executed and delivered a written continuing disclosure undertaking (an "Undertaking") which complies with the provisions of Rule 15c2-12(b)(5) and which shall be substantially in the form described in or included as Appendix E to the Preliminary Official Statement;

(k) The District has duly authorized all necessary action to be taken by it for: (1) the issuance and sale of the Bonds upon the terms set forth herein, in the Resolution and in the Official Statement; (2) the execution and delivery of the Resolution and the Undertaking; (3) the approval of the Official Statement and the execution, distribution and delivery of the Official Statement by the Chairman of the District; (4) the execution, delivery, receipt and due performance of this Purchase Agreement, the Bonds, the Undertaking, the Resolution and any and all such other agreements and documents as may be required to be executed, delivered and received by the District in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement; and (5) the carrying out, giving effect to and consummation of the transactions contemplated hereby and by the Resolution and the Official Statement;

(l) When delivered to and paid for by the Underwriter in accordance with the terms of this Purchase Agreement, the Bonds will have been duly authorized, executed, authenticated, issued and delivered and will constitute valid and binding obligations of the District payable solely from the Net Revenues of the System and moneys pledged therefor under the Resolution and will be entitled to the benefit of the Resolution. Neither the credit nor the taxing power (if any) of the District shall be deemed to be pledged to, nor shall a tax ever be levied for the payment of the principal of, premium, if any, or the interest on the Bonds;

(m) Except as disclosed in the Preliminary Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the District's knowledge, threatened against or affecting the District (or, to the District's knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or by the Official Statement or the validity of the Bonds, the Resolution, the Undertaking, this Purchase Agreement or any agreement or instrument to which you are a party and which is used or contemplated hereby or by the Official Statement or the validity of the Bonds, the Resolution, this Purchase Agreement or any agreement or instrument to which the District is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Official Statement;

(n) The execution and delivery of the Official Statement, this Purchase Agreement, the Bonds, the Undertaking, the Resolution and the other agreements contemplated hereby and by the Official Statement, and compliance with the provisions thereof, to the best of the District's knowledge following appropriate inquiry, will not conflict with or constitute on the District's part a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which the District is subject or by which the District is or may be bound, and to the District's knowledge all consents, approvals, authorizations and orders of governmental or regulatory authorities which are required for the consummation of the transactions contemplated thereby have been obtained;

(o) The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the District is a bond issuer whose arbitrage certifications may not be relied upon;

(p) All financial statements of the District included as a part of the Preliminary Official Statement and the Official Statement (the "Financial Statements"), fairly present the financial condition of the System as of the respective dates and the results of its operations for the respective periods therein set forth and have been prepared when so indicated in accordance with generally accepted accounting principles consistently applied and since the respective most recent dates as of which information is given in the Preliminary Official Statement or the Official Statement, there has not been any material change in the long-term debt of the District or any material adverse change in the general affairs, management, financial position, or results of operations of the System and no material transactions or obligations other than in the ordinary course of business have been entered into with respect to the System by the District, except as reflected in or contemplated by the Official Statement; and

(q) Any certificate signed by any of the District's authorized officers and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter as to the statements made therein. It is understood that the representations, warranties and covenants by the District contained in this Section 5 and elsewhere in this Purchase Agreement shall not create any general obligation or liability of the District, and that any obligation or liability of the District hereunder or under the Resolution will be payable solely out of the Net Revenues and other income, charges and moneys derived by the District from, or in connection with the System, nor shall any member, official or employee of the District be personally liable therefor.

6. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and agreements of the District made herein. The Underwriter's obligations under this Purchase Agreement are and shall be subject to the following further conditions:

(a) At or prior to the time of the Closing, the Resolution and the Undertaking, as approved by the Underwriter or its counsel, shall have been approved by the appropriate parties, shall have been duly executed, acknowledged, sealed and delivered, shall be in full force and effect and shall not have been amended, modified or supplemented, except as therein permitted or as may have been agreed to in writing by the Underwriter;

(b) The Underwriter shall have the right to cancel its obligations hereunder to purchase the Bonds (such cancellation shall not constitute a default hereunder) by notifying the District in writing of its election to do so between the date hereof and the Closing Date, if at any time hereafter and prior to the Closing Date:

(i) Any legislation, rule or regulation shall be introduced in, or enacted by, the United States House of Representatives or the United States Senate or any committee thereof, or a decision by a court established under Article III of the Constitution of the United States of America, or the Tax Court of the United States, shall be rendered, or a ruling, regulation or order of the Treasury Department of the United States or the Internal Revenue Service shall be made or proposed, which, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Bonds;

(ii) Any legislation, ordinance, rule or regulation shall be introduced in or enacted by any governmental body, department or agency of the State of West Virginia or political subdivision thereof, or a decision by any court of competent jurisdiction within the State of West Virginia shall have been rendered which, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Bonds;

(iii) A stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other government agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering for sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all the underlying obligations, as contemplated hereby or by the Official Statement, is in violation of any provisions of the Securities Act of 1933, as amended and as then in effect, or the registration provisions of the Securities and Exchange Act of 1934, as amended and as then in effect, or the qualification provisions of the Trust Indenture Act of 1939, as amended and as then in effect;

(iv) Any event shall have occurred or information become known which, in the Underwriter's reasonable opinion, makes untrue in any material respect any statement or information contained in the Preliminary Official Statement or the Official Statement or the Underwriter shall have determined that the Preliminary Official Statement or the Official Statement contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

(v) A general banking moratorium shall have been established by Federal, New York State or West Virginia authorities;

(vi) In the reasonable opinion of the Underwriter, the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, has been adversely affected because (1) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, (2) the New York Stock Exchange, other national securities exchange or any governmental authority shall have imposed as to the Bonds or similar obligations any material restrictions not now in force, or increased materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter, or (3) war or any outbreak of hostilities or other national or international calamity or crisis shall have occurred or any armed conflict shall have occurred or escalated to such a magnitude as in the reasonable opinion of the Underwriter to have a materially adverse effect on the ability of the Underwriter to market the Bonds; or

(vii) There shall have been any materially adverse change in the affairs of the District; and

(c) At or prior to the Closing, the Underwriter and the District shall receive the following documents, in each case in form and substance satisfactory to the Underwriter and its counsel:

(i) An opinion, dated the date of the Closing and addressed to the District, of Steptoe & Johnson PLLC, Bond Counsel, in substantially the form attached as Appendix D to the Official Statement, and a letter from such counsel, dated the date of the Closing and addressed to the Underwriter, to the effect that such opinion addressed to the District may be relied upon by the Underwriter to the same extent as if such opinion were addressed to them;

(ii) A supplemental bond counsel opinion, dated the date of the Closing and addressed to the Underwriter, of Steptoe & Johnson PLLC, Bond Counsel, to the effect that (i) this Purchase Agreement has been duly authorized, executed and delivered by, and (assuming due authorization, execution and delivery by the other parties and that it is a binding agreement of the other parties in accordance with its terms) constitutes a binding agreement in accordance with its terms of, the District; (ii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; (iii) the statements contained in the Official Statement under the captions "Tax Matters" are true and accurate in all material respects and present a fair and accurate summary and description of the matters summarized and described under such caption; (iv) the statements contained in the Official Statement under the captions "Financing Plan," "The Series 2017 A Bonds" (except for the statement referred to therein under "Book-Entry Only System" with respect to The Depository Trust Company), "Security for the Series 2017 A Bonds," "Appendix D – Form of Opinion of Bond Counsel," and "Appendix G – The Resolution," insofar as such statements contained under such captions purport to summarize certain matters set forth therein and certain provisions of the Resolution, are complete and accurate and present a fair summary of the matters referred to therein; and (v) their bond counsel opinion being delivered at Closing and the Resolution are in all material respects the same as the forms included as an appendix to the Official Statement;

(iii) An opinion, dated the date of Closing and addressed to the Underwriter, of Steptoe & Johnson PLLC, Counsel to the District, to the effect that (i) the District is a public service district, public corporation and political subdivision of the State of West Virginia, (ii) the District has complied with all requirements of the Act that must be satisfied in connection with the issuance of the Bonds, (iii) no litigation is pending, or to their knowledge, threatened in any court in any way affecting the existence of the District or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance or delivery of the Bonds, or the collection of revenues of the System pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the refunding of the Refunded Bonds, the Resolution or this Purchase Agreement, or contesting the powers of the District with respect to the Bonds, the Resolution, the refunding of the Refunded Bonds, the Undertaking or this Purchase Agreement or any transaction described in or contemplated by the Official Statement, (iv) based upon their experience as counsel to the District and on their review of the Official Statement, but without having undertaken to verify the same through independent investigation, they have no reason to believe the statements and the information contained in the Official Statement under the captions "The District and the System," "Absence of Material Litigation," "Appendix B – The District and the System" and "Appendix F – Rate Tariff" contain any untrue statement of material fact or omit to state any material fact necessary to make such statements, in

light of the circumstances under which they were made, not misleading in any material respect, it being understood, that in rendering such opinion they express no opinion with respect to statistical data, financial statements, operating statistics and other financial data in the Official Statement;

(iv) Two counterpart originals of a transcript of all proceedings relating to the authorization and issuance of the Bonds;

(v) An opinion, dated the date of the Closing and addressed to the Underwriter, of Bowles Rice LLP, Underwriter's Counsel, to the effect that (i) this Purchase Agreement has been duly authorized, executed and delivered by, and (assuming due authorization, execution and delivery by the other parties and that it is a binding agreement of the other parties in accordance with its terms) constitutes a binding agreement in accordance with its terms of, the Underwriter, (ii) the Undertaking complies as to form in all material respects with the requirements of paragraph (b)(5) of the Rule; and (iii) that nothing has come to our attention that the Official Statement, as amended or supplemented to the date of Closing (except as aforesaid) contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(vi) A certificate, satisfactory to the Underwriter, of the Chairman of the District or any other duly authorized officer of the District satisfactory to the Underwriter, dated as of the Closing, to the effect that: (i) the District has duly performed all of the obligations to be performed at or prior to the Closing and that each of its representations and warranties contained herein are true as of Closing; (ii) the District has authorized, by all necessary action, the execution, delivery, receipt and due performance of the Bonds, the Undertaking, the Resolution and any and all such other agreements and documents as may be required to be executed, delivered and received in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement; (iii) to the District's knowledge no litigation is pending, or to the District's knowledge threatened, that might adversely affect the collection of the Net Revenues, the pledge of the Net Revenues to the Bonds, the refunding of the Refunded Bonds, the issuance or sale of the Bonds or in any way affecting any authority for or the validity of the Bonds or the Resolution; (iv) to the best of the District's knowledge following appropriate inquiry, the execution, delivery, receipt and due performance of the Bonds, the Undertaking, the Resolution and the other agreements contemplated hereby and by the Official Statement under the circumstances contemplated thereby and compliance with the provisions thereof will not conflict with or constitute on the District's part a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which the District is subject or by which the District is or may be bound; and (v) except as described in the Official Statement, the District is aware of no material non-compliance with the covenants in all outstanding Resolutions which authorized bonds secured by the Net Revenues of the System;

(vii) Copies of this Purchase Agreement executed by the Parties;

(viii) Certified copy of the Resolution adopted by the Public Service Board of the District approving the rates for the System;

(ix) Duly authorized and executed copies of the Undertaking, in substantially the form attached as Appendix E to the Official Statement and incorporated herein, which complies with the provisions of Rule 15c2-12(b)(5) in form and substance satisfactory to the Underwriter;

(x) A certificate of the District executed by an authorized officer thereof, dated as of the Closing Date and in form and substance satisfactory to the Underwriter and counsel to the Underwriter, to the effect that the District is obligated by such Undertaking and except as provided in the Official Statement is in full compliance with all of their prior written continuing disclosure undertakings entered into pursuant to the provisions of Rule 15c2-12(b)(5);

(xi) A certificate from Lowe & Associates, PLLC, Certified Public Accountants, that the District has Net Revenues sufficient to meet the rate coverage requirement of the Resolution and the rate coverage requirement of the Prior Bonds and the Prior Resolutions;

(xii) A Certificate of the Registrar to the effect that all conditions precedent contained in the Resolution for the issuance of the Bonds have been met, and the Bonds are entitled to the benefit and security of the Resolution;

(xiii) The Resolution, certified by the Secretary of the District under the seal of the District, as having been duly adopted by the District and as being in full force and effect, with only such amendments, modifications or supplements as may have been agreed to by the Underwriter;

(xiv) An Information Return for Tax-Exempt Bond Issues (Internal Revenue Service Form 8038-G), in the form satisfactory to Bond Counsel for filing, executed by the duly authorized officer of the District and evidence that the District has adopted post issuance compliance guidelines sufficient to allow the District to check boxes 43 and 44 on Form 8038-G;

(xv) A tax and arbitrage certificate of the District;

(xvi) To the extent required, the consent of the holders of the Prior Bonds to the issuance of the Bonds on a parity with the Prior Bonds;

(xvii) Evidence that the Refunded Bonds have been paid in full or defeased to the first available call date, including a defeasance opinion of Bond Counsel; and

(xviii) Such additional legal opinions, certificates, instruments and other documents as the Underwriter or its counsel, Bowles Rice LLP, reasonably may deem necessary or advisable to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the District's representations and warranties contained herein and of the statements

and information contained in the Official Statement and the due performance or satisfaction by the District on or prior to the date of the Closing of all agreements then to be performed and all conditions then to be satisfied by the District.

All of the opinions, letters, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter and to Bowles Rice LLP, counsel to the Underwriter.

If the District shall be unable to satisfy or cause to be satisfied the conditions to the Underwriter's obligations in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and the Underwriter and the District shall not have any further obligations, claims or rights hereunder. However, the Underwriter may in its discretion waive in writing one or more conditions imposed by this Purchase Agreement for the protection of the Underwriter and proceed with the Closing.

7. The Underwriter shall be under no obligation to pay, and, if the Bonds are issued, the District shall pay or cause to be paid from the proceeds of the Bonds or other funds of the District, any fees and expenses incident to the performance of the District's obligations hereunder including (i) all expenses in connection with the printing and distribution of the Preliminary Official Statement, the Official Statement and any amendment or supplement to either; (ii) all expenses in connection with the preparation, printing, issuance and delivery of the Bonds; (iii) the fees and disbursements of Steptoe & Johnson PLLC, Bond Counsel and Counsel to the District; (iv) all advertising expenses in connection with the public offering of the Bonds; (v) the fees and disbursements of the Registrar including legal fees of legal counsel, if any; (vi) the fees and expenses of Bowles Rice LLP, counsel to the Underwriter; (vii) the fees and expenses of the accountant; and (viii) all other expenses and costs (including the fees and expenses of the District) for the authorization, issuance, sale and distribution of the Bonds.

8. The Underwriter shall pay from the underwriting spread all expenses incurred by it in connection with its public offering and distribution of the Bonds (except as set forth above), including all out-of-pocket expenses, travel and other expenses and filing fees.

9. For so long as the Underwriter, or dealers or banks, if any, participating in the distribution of the Bonds, is offering the Bonds which constitute the whole or a part of its unsold participations, the District will: (a) not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Underwriter shall object in writing or which shall be disapproved by counsel for the Underwriter, unless, in the opinion of the counsel to the District, such amendment or supplement is required to make the Official Statement not misleading, and (b) if any event relating to or affecting the District shall occur as a result of which it is necessary, in the opinion of Bond Counsel or counsel for the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, forthwith prepare and furnish to the Underwriter a reasonable number of copies of an amendment or a supplement to the Official Statement (in form and substance satisfactory to the

counsel for the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading. The expense of preparing such amendment or supplement shall be borne by the District. For the purposes of this paragraph, the District will furnish such information with respect to itself as the Underwriter from time to time may request.

10. Neither the officials of the District nor its employees shall be personally liable for breach of any representation, agreement or warranty made by the District within this Purchase Agreement.

11. Any notice or other communication to be given under this Purchase Agreement may be given by delivering the same in writing as follows:

To the District:

Bradley Public Service District
6064 Robert C. Byrd Drive
Bradley, WV 25818
Attention: Chairman

To the Underwriter:

Crews & Associates, Inc.
69 Clay Street
Suite 202
Morgantown, WV 26501

12. This Purchase Agreement is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. All agreements, representations and warranties of the District in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

13. This Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

14. The approval of the Underwriter when required hereunder or the determination of its satisfaction with any document referred to herein shall be in writing signed by an authorized representative and delivered to the District. This Purchase Agreement shall become legally effective upon its acceptance by the District, as evidenced by the signature of the Chairman of the District in the space provided hereinafter therefor.

Crews & Associates, Inc.

By: _____
Its: Director Capital Markets

ACCEPTED AND APPROVED:

Bradley Public Service District

By: _____
Its: Chairman

ACCEPTANCE DATE AND TIME:
May 25, 2017 at 3:32 p.m.

EXHIBIT A

Bradley Public Service District
Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified)
Term Bonds

$530,000 2.40% Term Bonds, Due March 1, 2021 at 2.40% (Price 100.000%) CUSIP 104579 AA5
$465,000 2.70% Term Bonds, Due March 1, 2024 at 2.70% (Price 100.000%) CUSIP 104579 AB3
$495,000 3.00% Term Bonds, Due March 1, 2027 at 3.00% (Price 100.000%) CUSIP 104579 AC1
$545,000 3.375% Term Bonds, Due March 1, 2030 at 3.50% (Price 98.721%) CUSIP 104579 AD9
$605,000 3.50% Term Bonds, Due March 1, 2033 at 3.630% (Price 98.448%) CUSIP 104579 AE7

Optional Redemption

The Series 2017 A Bonds maturing on and after March 1, 2024, are subject to redemption at the option of the District, prior to maturity, on or after March 1, 2022, in whole or in part, at any time, the maturity date or dates of the Series 2017 A Bonds being redeemed to be selected by the District and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Series 2017 A Bonds maturing March 1, 2021, March 1, 2024, March 1, 2027, March 1, 2030 and March 1, 2033, are subject to annual mandatory redemption prior to maturity by random selection on March 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2021

Year (March1)	Amount
2018	$105,000
2019	140,000
2020	140,000
2021*	145,000

*Maturity

Bonds Maturing 2024

Year (March 1)	Amount
2022	$150,000
2023	155,000
2024*	160,000

*Maturity

Bonds Maturing 2027

Year (March 1)	Amount
2025	$160,000
2026	165,000
2027*	170,000

*Maturity

Bonds Maturing 2030

Year (March 1)	Amount
2028	$175,000
2029	180,000
2030*	190,000

*Maturity

Bonds Maturing 2033

Year (March 1)	Amount
2031	$195,000
2032	200,000
2033*	210,000

*Maturity

Except as provided above, in the event of any redemption of less than all outstanding Series 2017 A Bonds, Series 2017 A Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2017 A Bonds are to be redeemed, the Series 2017 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Date. So long as the Series 2017 A Bonds are maintained under a book-entry system, the selection of individual ownership interests in the Series 2017 A Bonds to be credited with any partial redemption shall be made as described herein under "BOOK-ENTRY ONLY SYSTEM."

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement") is by and between Bradley Public Service District (the "District"), and United Bank, Inc., Charleston, West Virginia (the "Dissemination Agent"), in connection with the issuance of $2,640,000 Bradley Public Service District Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified) (the "Bonds"). The Series 2017 A Bonds are being issued pursuant to the Resolution adopted by the Public Service Board of the District on May 17, 2017, as supplemented by a Supplemental Parameters Resolution adopted by the Public Service Board of the District on May 17, 2017 and a Certificate of Determinations dated May 25, 2017 (collectively, the "Resolution"). The District and Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of Agreement. This Agreement is being executed and delivered by the District and Dissemination Agent for the benefit of the holders and Beneficial Owners of the Series 2017 A Bonds and in order to assist the Participating Underwriter in complying with SEC Rule 15c2-12.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution and the Bond Purchase Agreement relating to the Bonds dated May 25, 2017, which apply to any capitalized term used in this Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Financial Information" means, collectively, the Financial Information and Operating Data as herein defined.

"Audited Financial Statements" means the annual financial statements with respect to the System, prepared in accordance with GAAP, which financial statements shall have been audited by an Independent Certified Public Accountant or the Office of the Auditor of the State of West Virginia.

"Beneficial Owner" shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Disclosure Representative" shall mean the then current Office Manager of the District, or his or her designee.

"Dissemination Agent" shall initially mean United Bank, Inc., or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System described in the 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board for purposes of the Rule (as hereinafter defined).

"Financial Information" means the Audited Financial Statements for the most recent fiscal year if available on the Due Date and, if not then available, unaudited financial statements of the System for the most recent fiscal year, with the Audited Financial Statements for such fiscal year to be provided when available.

"Listed Events" shall mean any of the events listed in Section 5(a) of the Agreement.

"National Repository" shall mean the Municipal Securities Rulemaking Board, Washington, D.C., the sole Nationally Recognized Municipal Securities Information Repository for purposes of the Rule (as hereinafter defined), effective as of July 1, 2009.

"Operating Data" shall mean the information regarding the System for the most recent fiscal year, as well as the four (4) immediately prior fiscal years, as reflected in the "Form of Filing of Operating Data" attached hereto as Exhibit B. The District may amend and/or modify the Form of Filing of Operating Data one or more times prior to the maturity of the Series 2017 A Bonds if such amendment or modification, in the reasonable opinion of the District, at its sole discretion, provides either additional information, or additional clarity, with respect to information being provided, regarding the System.

"Participating Underwriter" shall mean the original underwriter(s) of the Series 2017 A Bonds who are required to comply with the Rule (as hereinafter defined) in connection with offering of the Series 2017 A Bonds.

"Repository" shall mean each National Repository and the State Repository, if any.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of West Virginia.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Agreement, there is no State Repository.

"System" shall mean, collectively, the sanitary sewerage collection and treatment system of the District as of the date of this Agreement, and all future additions, extensions and betterments thereto.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the last day of the fiscal year (presently June 30) immediately following the end of the District's fiscal year (presently June 30) for which disclosure is due (the "Due Date"), commencing with the report for the Fiscal Year ending June 30, 2017, provide to EMMA the Annual Financial Information which is consistent with the requirements of this Agreement. The Annual Financial Information may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Agreement. The District shall provide the Dissemination Agent with a copy of the Annual Financial Information to be filed under this Agreement. If the District's fiscal year changes, the District shall give notice of such change in the same manner as for a Listed Event under Section 5(a). The Dissemination Agent shall send written notice to the District sixty (60) days prior to the Due Date of the Annual Financial Information that such information is due by the Due Date. Such notice from the Dissemination Agent shall include notification to the District of any prior fiscal years for which Annual Financial Information is due.

(b) Not later than thirty (30) Business Days prior to the Due Date, the District shall provide the Annual Financial Information to the Dissemination Agent. If by the Due Date the Dissemination Agent has not received all, or any portion of, the Annual Financial Information, the Dissemination Agent shall contact the District to determine if the District is in compliance with the first sentence of this subsection (b). If the Dissemination Agent is unable to provide to EMMA all, or any portion of, the Annual Financial

Information by the date required in subsection (a), the Dissemination Agent shall (i) file with EMMA any portion of the Annual Financial Information which the District has provided, and (ii) send a notice to EMMA in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall file a report with the District certifying that the Annual Financial Information has been provided to EMMA pursuant to this Agreement and the date provided.

SECTION 4. Content of Annual Financial Information. The Annual Financial Information shall include the Financial Information and the Operating Data, as defined in this Agreement.

Any or all of the items comprising the Annual Financial Information may be included by specific reference to other documents, including official statements of debt issues of the District secured by the revenues of the System, which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Series 2017 A Bonds:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

7. Modifications to rights of security holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Series 2017 A Bonds, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership, or similar event of the District[1];

13. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action; or the termination of a definitive agreement relating to any such actions, other than pursuant to its term, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) The Dissemination Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Disclosure Representative, inform such person of the event, and request that the District promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (f).

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event classified under Section 5(a) (2), (7), (8), (10), (13) or (14), because of a notice from the Dissemination Agent pursuant to Section 5(b) or otherwise, the District shall as soon as possible determine if such event would be material under applicable federal securities laws, in any event such determination must be made and submitted to the Dissemination Agent within two (2) business days.

(d) If the District determines that knowledge of the occurrence of any of the Listed Events classified under Section 5(a) (2), (7), (8), (10), (13) or (14) would be material under applicable federal securities laws pursuant to subsection (b), or the District receives notice of any Listed Event that does not require a finding of materiality classified under Section 5(a) (1), (3), (4), (5), (6), (9), (11) or (12), the District shall promptly file with the Dissemination Agent a notice of such occurrence to be provided to EMMA.

(e) If in response to a request from the Dissemination Agent under Section 5(b), the District determines that the Listed Event, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), would not be material under applicable federal securities laws, the District shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the District to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with EMMA with a copy to the District. The Dissemination Agent will exercise its best efforts to file such notice with EMMA within ten (10) business days of the occurrence of such Listed Event.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2017 A Bonds. If such termination occurs prior to the final maturity of the Series 2017 A Bonds,

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[1] For the purposes of the event identified in Section 5(a)(12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

the District shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

SECTION 7. Dissemination Agent. United Bank, Inc., Charleston, West Virginia, is hereby appointed as Dissemination Agent. The District may, from time to time, appoint or engage an alternate or successor Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Agreement.

SECTION 8. Amendment, Waiver. Notwithstanding any other provision of this Agreement, the District and the Dissemination Agent may amend this Agreement (and the Dissemination Agent shall agree to any amendment so requested by the District) and any provision of this Agreement may be waived (and the Dissemination Agent shall agree to any waiver so requested by the District), if such amendment or waiver is supported by an opinion of nationally recognized counsel expert in federal securities laws acceptable to the District and the Dissemination Agent to the effect that such amendment or waiver should not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in, or official interpretation of, the Rule.

SECTION 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events, in addition to that which is required by this Agreement. If the District chooses to include any information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events in addition to that which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events.

SECTION 10. Default. In the event of a failure of the District or Dissemination Agent to comply with any provision of this Agreement (and, at the request of the Participating Underwriter), the Dissemination Agent may or any Holder or Beneficial Owner of the Series 2017 A Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District or Dissemination Agent to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the District or Dissemination Agent to comply with this Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement, and the District agrees to the extent permitted by State law, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and/or liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities as a result of the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2017 A Bonds.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Agreement shall be given as first class United States mail, postage prepaid, to the following:

To the District:	Bradley Public Service District Post Office Box 290 Bradley, WV 25818-0290 Attention: Office Manager
To the Dissemination Agent:	United Bank, Inc. 500 Virginia Street, East Charleston, WV 25301 Attention: Corporate Trust Department

Any person may, by written notice to the other persons listed above, designate a different address to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. This Agreement shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Series 2017 A Bonds, and shall create no rights in any other person or entity.

SECTION 14. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. Fees. The District agrees to pay all fees and expenses of the Dissemination Agent including, without limitation, all reasonable expenses, charges, costs, attorney's fees and other disbursements in the administration and performance of the Dissemination Agent's duties.

SECTION 16. Right to Resign. The Dissemination Agent may resign at any time by providing thirty (30) days' written notice to the District.

SECTION 17. Right to Counsel. The Dissemination Agent shall have the right to consult with counsel in carrying out its duties under this Agreement and to rely upon an opinion of counsel.

[The remainder of this page intentionally left blank.]

IN WITNESS THEREOF, the District has caused this Agreement to be executed by its duly authorized representative this 8th day of June, 2017.

BRADLEY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

UNITED BANK, INC.,
as Dissemination Agent

By: _____

Its: _____

EXHIBIT A

NOTICE TO REPOSITORIES OF
FAILURE TO FILE ANNUAL FINANCIAL INFORMATION

Name of District: Bradley Public Service District

Name of Issue: $2,640,000 Bradley Public Service District Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified)

Date of Issuance: June 8, 2017

Notice is hereby given that the District has not provided United Bank, Inc., as Dissemination Agent, all [or a portion of] the Annual Financial Information with respect to the above-named Bonds as required by the Continuing Disclosure Agreement executed in connection with the above-referenced bond issue. The District has advised the Dissemination Agent that it anticipates that the Annual Financial Information, or remaining Annual Financial Information, will be available to be filed by _____, 20__.

Dated this _____, 20__.

UNITED BANK, INC.,
as Dissemination Agent

By: _____
Its: Duly Authorized Officer

EXHIBIT B

FORM OF FILING OF OPERATING DATA
(This Form Utilizes the Fiscal Year ended June 30, 2016 for Illustrative Purposes Only)

Name of District: Bradley Public Service District

Name of Issue: $2,640,000 Bradley Public Service District Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified)

Date of Issuance: June 8, 2017

Operating Data
For Fiscal Year Ending: June 30, 20__

In compliance with the requirements of the Continuing Disclosure Agreement executed by Bradley Public Service District in conjunction with the above-referenced bonds, the following Operating Data with respect to the System is provided for the above-stated fiscal year and, where noted, for the four (4) immediately preceding fiscal years.

SYSTEM OPERATING DATA

Debt Service Coverage

The Audited Financial Statements for the fiscal year ended June 30, 20___ with respect to the System which have been, or will be, filed as part of the Annual Financial Information include a calculation of debt service coverage, which is incorporated herein by reference.

Sewerage Usage by Classification

The sewerage usage by customer classification for the past five Fiscal Years are as follows:

Annual Usage History by Source – Bradley Public Service District						
Year Ended June 30	Residential Gallons	Commercial Gallons	Industrial Gallons	Public Authority Gallons	Resale Gallons	Total Gallons

Customer Statistics

The customer count by type for the past five Fiscal Years are as follows:

Customer County by Type – Bradley Public Service District						
Year Ended June 30	Residential	Commercial	Industrial	Public Authority	Resale	Total

Major Users

The following table sets forth the **ten largest customers** of the System and related annual revenues for the fiscal year ended June 30, 20__.

Top Ten Customers Measured by Revenue and as a Percentage of Total Revenue July ____ to June ____ Amount Billed - $_____		
Customer	Revenue	% of Returns

BRADLEY PUBLIC SERVICE DISTRICT
SEWER REFUNDING REVENUE BONDS
SERIES 2017 A (BANK QUALIFIED)

RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies and represents to Crews & Associates, Inc. (the "Underwriter") that he is the duly elected Chairman of the Bradley Public Service District (the "Issuer") authorized to execute and deliver this Certificate and further certifies on behalf of the Issuer to the Underwriter as follows:

1. This Certificate is delivered to enable the Underwriter to comply with Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") in connection with the offering and sale of the above-referenced bonds (the "Bonds").

2. In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated May 23, 2017, setting forth information concerning the Bonds, the Issuer and the sanitary sewerage collection and treatment system owned and operated by the Issuer (the "Preliminary Official Statement").

3. As used herein, "Permitted Omissions" shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, the identity of the Underwriter and other terms of the Bonds and any underlying obligations depending on such matters, all with respect to the Bonds and any underlying obligations.

4. The Preliminary Official Statement is, except for the Permitted Omissions, final as of its date, and the information therein is accurate and complete except for the Permitted Omissions.

5. If, at any time prior to the execution of the final bond purchase agreement, any event occurs as a result of which the Preliminary Official Statement might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall promptly notify the Underwriter thereof.

IN WITNESS WHEREOF, the Issuer has caused this Certificate to be executed by its Chairman as of the 23rd day of May, 2017.

BRADLEY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

WV MUNICIPAL BOND COMMISSION
900 Pennsylvania Avenue
Suite 1117
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 6/8/2017

ISSUE: Bradley Public Service District
Sewer Refunding Revenue Bonds, Series 2017 A

ADDRESS: 6064 Robert C. Byrd Drive Bradley, WV 25818 COUNTY: Raleigh

PURPOSE OF ISSUE:
New Money: ____
Refunding: x

REFUNDS ISSUE(S) DATED: See Attached

ISSUE DATE: 6/8/2017 CLOSING DATE: 6/8/2017

ISSUE AMOUNT: $2,640,000 RATE: 2.400% - 3.500%

1ST DEBT SERVICE DUE: 9/1/2017 1ST PRINCIPAL DUE: 3/1/2018

1ST DEBT SERVICE AMOUNT $18,373.84 PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: 304.353.8196

UNDERWRITERS COUNSEL
Firm: Bowles Rice LLP
Contact: Camden Siegrist
Phone: 304.347.1129

CLOSING BANK:
Bank: United Bank, Inc.
Contact: Kathy Smith
Phone: 304.348.8427

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Scott Howells
Position: General Manager
Phone: 304.877.5202

OTHER:
Agency: Crews & Associates, Inc.
Contact: Robert M. Steptoe
Position: Director
Phone: 304.292.6600

DEPOSITS TO MBC AT CLOSE

By:				
x	Wire		Accrued Interest:	$
	Check		Capitalized Interest:	$
		x	Reserve Account:	$ 218,738.78
			Other:	$

REFUNDS & TRANSFERS BY MBC AT CLOSE

By:				
	Wire		To Escrow Trustee	$
	Check		To Issuer	$
	IGT		To Cons. Invest. Fund	$
			To Other:	$

NOTES: Series 2017 A Bonds Reserve Account fully funded at Closing
The Reserve Requirement is $218,738.78 (MADS of entire bond issue)

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

SWEEP RESOLUTION

WHEREAS, Bradley Public Service District (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes monthly debt service payments on the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer thereby eliminating delay in payments and lost checks;

WHEREAS, Pursuant to Chapter 13, Article 3, Section 5a, the MBC has established fees for its services (the "MBC Fee"); and

WHEREAS, the Issuer find and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic transfer with the State Treasurer **sweeping** the Issuer's account.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on the Bonds, as set forth in Exhibit A, along with the MBC Fee, shall be made to the MBC by electronic transfer by the State Treasurer form the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) Chairman and Secretary are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption.

Adopted this 17th day of May, 2017.

Chairman

Secretary

Bradley Public Service District
Sewer Refunding Revenue Bonds, Series 2017 A (Bank-Qualified)

REGISTRAR AGREEMENT

THIS AGREEMENT, dated as of the 8th day of June 2017, by and between BRADLEY PUBLIC SERVICE DISTRICT, a public service district and political subdivision of the State of West Virginia (the "Issuer"), and UNITED BANK, INC., Charleston, West Virginia, a state banking corporation (the "Bank").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its Sewer Refunding Revenue Bonds, Series 2017 A (Bank-Qualified), in the original aggregate principal amount of $2,640,000 (the "Series 2017 A Bonds"), in fully registered form pursuant to a Bond Resolution adopted May 17, 2017, as supplemented by a Supplemental Parameters Resolution adopted May 17, 2017 and Certificate of Determinations executed by the Chairman on May 25, 2017 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Agreement does appoint the Bank to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Agreement by the Issuer and the Bank and during the term hereof, the Bank does accept and shall have and agrees to perform all of the powers and duties of Registrar, as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the excludability from gross income of interest on the Series 2017 A Bonds for purposes of federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Bank agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Bank's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Bank shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Agreement, the Issuer hereby agrees to pay to the Bank, the compensation for services rendered as provided in the annexed fee schedule and reimbursement for reasonable expenses incurred in connection therewith.

5. It is intended that this Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Bank each warrants and represents that it is duly authorized and empowered to execute and enter into this Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER:
Bradley Public Service District
P.O. Box 290
Bradley, West Virginia 25919
Attention: General Manager

REGISTRAR:
United Bank, Inc.
500 Virginia Street, East
Charleston, West Virginia 25301
Attention: Corporate Trust

8. The Bank is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

9. If any one or more of the covenants or agreements provided in this Agreement to be performed on the part of any of the parties hereto shall be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

10. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed in their respective names and on their behalf, all as of the day and year first above-written.

BRADLEY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

UNITED BANK, INC.

By: _____
Its: Authorized Officer

EXHIBIT A

Bond Legislation

[See Transcript at Tabs No. 1, 2 and 3]

FEE SCHEDULE

(On File with Issuer)

Bradley Public Service District
Sewer Refunding Revenue Bonds, Series 2017 A (Bank-Qualified)

REGISTRAR'S CERTIFICATE

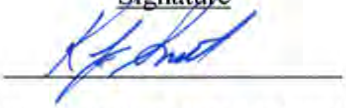
United Bank, Inc., Charleston, West Virginia (the "Bank"), as Registrar for the above-captioned Bonds (the "Bonds"), hereby certifies this 8th day of June, 2017, as follows, all capitalized terms used herein to have the same meanings set forth in the Resolution of the Bradley Public Service District (the "Issuer") adopted May 17, 2017, as supplemented by a Supplemental Parameters Resolution adopted May 17, 2017 and Certificate of Determination executed by the Chairman on May 25, 2017 (collectively the "Bond Resolution"):

1. The Bank is a state banking corporation duly organized, validly existing, and in good standing under the laws of the State of West Virginia, may lawfully conduct business in West Virginia, and is lawfully empowered, pursuant to such laws, to accept the duties and obligations contemplated and as provided under the Bond Resolution and to serve in the capacity of Registrar under the Bond Resolution.

2. The Bank has duly authorized, by all necessary action, the authentication of the Bonds and the execution and delivery of this Certificate and the acceptance of all duties of Registrar under the Bond Resolution, and any and all other documents and agreements as may be required to be executed, delivered and received by the Bank in order to carry out, give effect to, and consummate the transactions contemplated thereby.

3. The person indicated in paragraph 4 below was at the time of the authentication of the Bonds, and is now, a duly elected, qualified and acting incumbent in his or her office; and, pursuant to authorization from the Board of Directors of the Bank, attached hereto as Exhibit A, such person, in his or her official capacity, was and is authorized to authenticate the Bonds for and on behalf of the Bank.

4. Appearing opposite the name and title of the person indicated below is a true and correct specimen of his or her signature.

Name	Title	Signature
Kathy Smith	Vice President	

5. There have been filed with the Bank all of the documents listed in Section 3.12 of the Bond Resolution; the Bonds have been duly authenticated and delivered to the Original Purchaser, and proceeds of the Bonds have been deposited as required by the Bond Resolution.

6. Attached hereto as EXHIBIT B is a correct listing of the Bond numbers, CUSIP numbers, maturity dates, principal amounts, interest rates, yields and prices of the Bonds.

WITNESS my signature on the day and year first written above.

UNITED BANK, INC.

By: _____
Its: Authorized Officer

EXHIBIT A
Resolution of Board of Directors

(on file with Registrar)

EXHIBIT B

Bradley Public Service District
Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified)

Term Bonds

No.	Amount	Rate	Maturity	Yield	Price	CUSIP
AR-1	$530,000	2.400%	3/01/2021	2.400%	100.000%	104579 AA5
AR-2	$465,000	2.700%	3/01/2024	2.700%	100.000%	104579 AB3
AR-3	$495,000	3.000%	3/01/2027	3.000%	100.000%	104579 AC1
AR-4	$545,000	3.375%	3/01/2030	3.500%	98.721%	104579 AD9
AR-5	$605,000	3.500%	3/01/2033	3.630%	98.448%	104579 AE7

$2,640,000

Bradley Public Service District (West Virginia)

Sewer Refunding Revenue Bonds

Series 2017 A

Sources & Uses

Dated 06/08/2017 | Delivered 06/08/2017

Sources Of Funds	
Par Amount of Bonds	$2,640,000.00
Transfers from Prior Issue DSR Funds	305,591.13
Original Issue Discount (OID)	(16,360.15)
Total Sources	**$2,929,230.98**

Uses Of Funds	
Deposit to Current Refunding Fund	2,601,877.12
Deposit to Debt Service Reserve Fund (DSRF)	218,738.78
Costs of Issuance	55,650.00
Total Underwriter's Discount (2.000%)	52,800.00
Rounding Amount	165.08
Total Uses	**$2,929,230.98**

Final

$2,640,000
Bradley Public Service District (West Virginia)
Sewer Refunding Revenue Bonds
Series 2017 A

Annual Debt Service Comparison

Date	Principal	Coupon	Interest	New D/S	Old D/S	Savings
03/01/2018	105,000.00	2.400%	58,220.73	163,220.73	229,454.83	66,234.10
03/01/2019	140,000.00	2.400%	77,173.78	217,173.78	305,939.76	88,765.98
03/01/2020	140,000.00	2.400%	73,813.78	213,813.78	269,648.65	55,834.87
03/01/2021	145,000.00	2.400%	70,453.78	215,453.78	216,251.87	798.09
03/01/2022	150,000.00	2.700%	66,973.78	216,973.78	216,251.83	(721.95)
03/01/2023	155,000.00	2.700%	62,923.78	217,923.78	216,251.77	(1,672.01)
03/01/2024	160,000.00	2.700%	58,738.78	218,738.78	216,251.85	(2,486.93)
03/01/2025	160,000.00	3.000%	54,418.78	214,418.78	216,251.86	1,833.08
03/01/2026	165,000.00	3.000%	49,618.78	214,618.78	216,251.83	1,633.05
03/01/2027	170,000.00	3.000%	44,668.78	214,668.78	216,251.77	1,582.99
03/01/2028	175,000.00	3.375%	39,568.78	214,568.78	216,251.77	1,682.99
03/01/2029	180,000.00	3.375%	33,662.50	213,662.50	216,251.87	2,589.37
03/01/2030	190,000.00	3.375%	27,587.50	217,587.50	216,251.84	(1,335.66)
03/01/2031	195,000.00	3.500%	21,175.00	216,175.00	216,251.75	76.75
03/01/2032	200,000.00	3.500%	14,350.00	214,350.00	216,251.81	1,901.81
03/01/2033	210,000.00	3.500%	7,350.00	217,350.00	137,987.24	(79,362.76)
03/01/2034	-	-	-	-	3,589.12	3,589.12
Total	**$2,640,000.00**	**-**	**$760,698.53**	**$3,400,698.53**	**$3,541,641.42**	**$140,942.89**

PV Analysis Summary (Gross to Gross)

Gross PV Debt Service Savings	196,878.65
Transfers from Prior Issue DSR Fund	(305,591.13)
Amount deposited into new DSR Fund	218,738.78
Net Present Value Benefit	$110,026.30
Net PV Benefit / $2,597,030 Refunded Principal	4.237%
Net PV Benefit / - Refunding Principal	4.168%

Refunding Bond Information

Refunding Dated Date	6/08/2017
Refunding Delivery Date	6/08/2017

$2,640,000
Bradley Public Service District (West Virginia)
Sewer Refunding Revenue Bonds
Series 2017 A

Fiscal Debt Service Comparison

Date	Principal	Coupon	Interest	New D/S	Old D/S	Savings
06/30/2017	-	-	-	-	25,494.99	25,494.99
06/30/2018	105,000.00	-	58,220.73	163,220.73	305,939.76	142,719.03
06/30/2019	140,000.00	-	77,173.78	217,173.78	305,939.77	88,765.99
06/30/2020	140,000.00	-	73,813.78	213,813.78	239,752.67	25,938.89
06/30/2021	145,000.00	-	70,453.78	215,453.78	216,251.87	798.09
06/30/2022	150,000.00	-	66,973.78	216,973.78	216,251.81	(721.97)
06/30/2023	155,000.00	-	62,923.78	217,923.78	216,251.82	(1,671.96)
06/30/2024	160,000.00	-	58,738.78	218,738.78	216,251.84	(2,486.94)
06/30/2025	160,000.00	-	54,418.78	214,418.78	216,251.82	1,833.04
06/30/2026	165,000.00	-	49,618.78	214,618.78	216,251.82	1,633.04
06/30/2027	170,000.00	-	44,668.78	214,668.78	216,251.76	1,582.98
06/30/2028	175,000.00	-	39,568.78	214,568.78	216,251.82	1,683.04
06/30/2029	180,000.00	-	33,662.50	213,662.50	216,251.84	2,589.34
06/30/2030	190,000.00	-	27,587.50	217,587.50	216,251.84	(1,335.66)
06/30/2031	195,000.00	-	21,175.00	216,175.00	216,251.75	76.75
06/30/2032	200,000.00	-	14,350.00	214,350.00	216,251.82	1,901.82
06/30/2033	210,000.00	-	7,350.00	217,350.00	69,492.42	(147,857.58)
Total	**$2,640,000.00**	**-**	**$760,698.53**	**$3,400,698.53**	**$3,541,641.42**	**$140,942.89**

PV Analysis Summary (Gross to Gross)

Gross PV Debt Service Savings	196,878.65
Transfers from Prior Issue DSR Fund	(305,591.13)
Amount deposited into new DSR Fund	218,738.78
Net Present Value Benefit	$110,026.30
Net PV Benefit / $2,597,030 Refunded Principal	4.237%
Net PV Benefit / - Refunding Principal	4.168%

Refunding Bond Information

Refunding Dated Date	6/08/2017
Refunding Delivery Date	6/08/2017

$2,640,000

Bradley Public Service District (West Virginia)

Sewer Refunding Revenue Bonds

Series 2017 A

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
03/01/2021	Term 1 Coupon	2.400%	2.400%	530,000.00	100.000%	530,000.00
03/01/2024	Term 2 Coupon	2.700%	2.700%	465,000.00	100.000%	465,000.00
03/01/2027	Term 3 Coupon	3.000%	3.000%	495,000.00	100.000%	495,000.00
03/01/2030	Term 4 Coupon	3.375%	3.500%	545,000.00	98.721%	538,029.45
03/01/2033	Term 5 Coupon	3.500%	3.630%	605,000.00	98.448%	595,610.40
Total	-	-	-	**$2,640,000.00**	-	**$2,623,639.85**

Bid Information

Par Amount of Bonds	$2,640,000.00
Reoffering Premium or (Discount)	(16,360.15)
Gross Production	$2,623,639.85
Total Underwriter's Discount (2.000%)	$(52,800.00)
Bid (97.380%)	2,570,839.85
Total Purchase Price	$2,570,839.85
Bond Year Dollars	$23,583.67
Average Life	8.933 Years
Average Coupon	3.2255312%
Net Interest Cost (NIC)	3.5187857%
True Interest Cost (TIC)	3.5634092%

Final

$2,640,000

Bradley Public Service District (West Virginia)

Sewer Refunding Revenue Bonds

Series 2017 A

Proof Of Bond Yield @ 3.2906431%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
06/08/2017	-	1.0000000x	-	-
09/01/2017	18,373.84	0.9925032x	18,236.10	18,236.10
03/01/2018	144,846.89	0.9764377x	141,433.96	159,670.06
09/01/2018	38,586.89	0.9606322x	37,067.81	196,737.87
03/01/2019	178,586.89	0.9450825x	168,779.35	365,517.22
09/01/2019	36,906.89	0.9297846x	34,315.46	399,832.68
03/01/2020	176,906.89	0.9147343x	161,822.80	561,655.47
09/01/2020	35,226.89	0.8999276x	31,701.65	593,357.12
03/01/2021	180,226.89	0.8853605x	159,565.78	752,922.90
09/01/2021	33,486.89	0.8710293x	29,168.06	782,090.96
03/01/2022	183,486.89	0.8569301x	157,235.43	939,326.39
09/01/2022	31,461.89	0.8430590x	26,524.23	965,850.62
03/01/2023	186,461.89	0.8294125x	154,653.83	1,120,504.45
09/01/2023	29,369.39	0.8159869x	23,965.04	1,144,469.49
03/01/2024	189,369.39	0.8027786x	152,021.70	1,296,491.19
09/01/2024	27,209.39	0.7897841x	21,489.54	1,317,980.73
03/01/2025	187,209.39	0.7770000x	145,461.69	1,463,442.43
09/01/2025	24,809.39	0.7644228x	18,964.86	1,482,407.29
03/01/2026	189,809.39	0.7520492x	142,745.99	1,625,153.28
09/01/2026	22,334.39	0.7398758x	16,524.68	1,641,677.96
03/01/2027	192,334.39	0.7278995x	140,000.11	1,781,678.07
09/01/2027	19,784.39	0.7161171x	14,167.94	1,795,846.01
03/01/2028	194,784.39	0.7045254x	137,230.55	1,933,076.56
09/01/2028	16,831.25	0.6931213x	11,666.10	1,944,742.66
03/01/2029	196,831.25	0.6819018x	134,219.59	2,078,962.25
09/01/2029	13,793.75	0.6708640x	9,253.73	2,088,215.98
03/01/2030	203,793.75	0.6600048x	134,504.85	2,222,720.82
09/01/2030	10,587.50	0.6493213x	6,874.69	2,229,595.51
03/01/2031	205,587.50	0.6388109x	131,331.53	2,360,927.04
09/01/2031	7,175.00	0.6284705x	4,509.28	2,365,436.32
03/01/2032	207,175.00	0.6182975x	128,095.79	2,493,532.10
09/01/2032	3,675.00	0.6082892x	2,235.46	2,495,767.57
03/01/2033	213,675.00	0.5984429x	127,872.28	2,623,639.85
Total	**$3,400,698.53**	-	**$2,623,639.85**	-

Derivation Of Target Amount

Par Amount of Bonds	$2,640,000.00
Reoffering Premium or (Discount)	(16,360.15)
Original Issue Proceeds	$2,623,639.85

$2,640,000
Bradley Public Service District (West Virginia)
Sewer Refunding Revenue Bonds
Series 2017 A

Derivation Of Form 8038 Yield Statistics

Maturity	Issuance Value	Coupon	Price	Issuance Price	Exponent	Bond Years
06/08/2017	-	-	-	-	-	-
03/01/2018	105,000.00	2.400%	100.000%	105,000.00	0.7305556x	76,708.33
03/01/2019	140,000.00	2.400%	100.000%	140,000.00	1.7305556x	242,277.78
03/01/2020	140,000.00	2.400%	100.000%	140,000.00	2.7305556x	382,277.78
03/01/2021	145,000.00	2.400%	100.000%	145,000.00	3.7305556x	540,930.56
03/01/2022	150,000.00	2.700%	100.000%	150,000.00	4.7305556x	709,583.33
03/01/2023	155,000.00	2.700%	100.000%	155,000.00	5.7305556x	888,236.11
03/01/2024	160,000.00	2.700%	100.000%	160,000.00	6.7305556x	1,076,888.89
03/01/2025	160,000.00	3.000%	100.000%	160,000.00	7.7305556x	1,236,888.89
03/01/2026	165,000.00	3.000%	100.000%	165,000.00	8.7305556x	1,440,541.67
03/01/2027	170,000.00	3.000%	100.000%	170,000.00	9.7305556x	1,654,194.44
03/01/2028	175,000.00	3.375%	98.721%	172,761.75	10.7305556x	1,853,829.56
03/01/2029	180,000.00	3.375%	98.721%	177,697.80	11.7305556x	2,084,493.92
03/01/2030	190,000.00	3.375%	98.721%	187,569.90	12.7305556x	2,387,869.03
03/01/2031	195,000.00	3.500%	98.448%	191,973.60	13.7305556x	2,635,904.18
03/01/2032	200,000.00	3.500%	98.448%	196,896.00	14.7305556x	2,900,387.47
03/01/2033	210,000.00	3.500%	98.448%	206,740.80	15.7305556x	3,252,147.64
Total	**$2,640,000.00**	-	-	**$2,623,639.85**	-	**$23,363,159.57**

Description of Bonds	
Final Maturity Date	3/01/2033
Issue price of entire issue	2,623,639.85
Stated Redemption at Maturity	2,640,000.00
Weighted Average Maturity = Bond Years/Issue Price	8.905 Years
Bond Yield for Arbitrage Purposes	3.2906431%

Uses of Proceeds of Issue	
Proceeds used for accrued interest	-
Proceeds used for bond issuance costs (including underwriters' discount)	108,450.00
Proceeds used for credit enhancement	-
Proceeds allocated to reasonably required reserve or replacement fund	-

Bradley Public Service District
Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified)

GENERAL CERTIFICATE OF BRADLEY
PUBLIC SERVICE DISTRICT ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. RATES
5. AWARD OF BONDS; SIGNATURES
6. DELIVERY AND PAYMENT
7. CERTIFICATION OF DOCUMENTS
8. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
9. MEETINGS, ETC.
10. INCUMBENCY AND OFFICIAL NAME
11. PAYMENT OF BONDS TO BE REFUNDED
12. SPECIMEN BONDS
13. NO FEDERAL GUARANTY
14. IRS INFORMATION RETURN
15. OFFICIAL STATEMENT CERTIFICATION
16. CERTIFICATIONS OF ISSUER
17. DESIGNATION OF REGISTRAR, PAYING AGENT AND DEPOSITORY BANK
18. COUNTERPARTS

We, the undersigned CHAIRMAN and SECRETARY of Bradley Public Service District, Bradley, West Virginia (the "Issuer"), hereby certify this 8th day of June, 2017 in connection with the Bradley Public Service District Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified), dated the date hereof, issued in the original aggregate principal amount of $2,640,000 (the "Series 2017 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meanings as set forth in the Bond Resolution of the Issuer adopted May 17, 2017, as supplemented by a Supplemental Parameters Resolution of the Issuer adopted May 17, 2017, and a Certificate of Determinations executed by the Chairman of the Issuer on, and dated as of May 25, 2017 (collectively, the "Bond Legislation").

2. NO LITIGATION: Except as otherwise disclosed in the Official Statement, no controversy or litigation of any nature is now pending or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting in any manner the issuance, sale and delivery of the Series 2017 A Bonds, the refunding of the Bonds to be Refunded, the collection or use of the revenues of the System, or the respective pledge thereof to the payment of the principal and interest on the Series 2017 A Bonds, nor in any manner questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Series 2017 A Bonds, nor in any manner affecting the validity or enforceability of the Series 2017 A Bonds, the Bond Legislation or the Bond Purchase Agreement, dated May 25, 2017 (the "Bond Purchase Agreement"), by and between the Issuer and Crews & Associates, Inc. (the

"Underwriter") or any agreement or instrument relating thereto, used or contemplated by the Bond Purchase Agreement or any provisions made or authorized for the payment of the Series 2017 A Bonds; nor in any manner questioning the valid existence of the Issuer or the authority or titles of the Chairman, Secretary and the members of the Board and other officials of the Issuer to their respective offices; nor in any manner questioning any proceeding, procedure, action or thing followed, taken or done in connection with the issuance, sale and delivery of the Series 2017 A Bonds or the refunding and payment of the Bonds to be Refunded, which is not set forth in the Official Statement relating to the Series 2017 A Bonds.

3. GOVERNMENTAL APPROVALS: All applicable approvals and certificates required by law for operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2017 A Bonds, have been obtained as of the date hereof and remain in full force and effect.

4. RATES: The rates for the System, as approved by the Public Service Commission of West Virginia, by Recommended Decision dated November 1, 2016 which became a Final Order on November 21, 2016 in Case No. 16-0466-PSD-42A, are in full force and effect.

5. AWARD OF BONDS; SIGNATURES: The Series 2017 A Bonds were sold to the Underwriter pursuant to the Bond Purchase Agreement at an aggregate purchase price of $2,570,839.85 (par amount of $2,640,000.00 less an original issue discount in the amount of $16,360.15, and less underwriter's discount of $52,800.00).

As of the date hereof, the Series 2017 A Bonds were duly signed by the manual signature of the Chairman, and the official seal of the Issuer, which seal is impressed upon this Certificate, was impressed or imprinted thereon and attested by the manual signature of the Secretary.

6. DELIVERY AND PAYMENT: On the date hereof the undersigned Chairman did deliver to the Underwriter the entire issue of the Series 2017 A Bonds, numbered AR-1 to AR-5.

At the time of delivery of the Series 2017 A Bonds, there was paid to the Issuer (or others, on behalf of the Issuer) the agreed price therefor as follows:

Par Amount of Series 2017 A Bonds	$2,640,000.00
Less Original Issue Discount	(16,360.15)
Less: Underwriter's Discount	(52,800.00)
Purchase Price	$2,570,839.85

Series 2017 A Bonds proceeds in the amount of $2,570,839.85 were made in immediately available funds (federal funds wire) and, along with monies on deposit in the Debt Service Funds for the Bonds to be Refunded in the amount of $305,591.13 for a total of $2,876,430.98 was used as follows.

Purchase Price	$2,570,839.85
Prior Bonds Debt Service Reserve Funds	305,591.13
Total Sources	$2,876,430.98

The uses are shown below:

Payment to USDA	$2,601,877.12
Deposit to Series 2017 A Bonds Reserve Account	218,738.78
Cost of Issuance	55,815.08
Total Uses	$2,876,430.98

7. CERTIFICATION OF DOCUMENTS: There are delivered herewith true and correct copies of the following documents, all which remain in full force and effect and have not been amended, modified, supplemented or repealed unless changed by the terms of other documents listed below:

Bond Resolution

Supplemental Parameters Resolution

Certificate of Determinations

County Commission Orders Relating to Creation of District

County Commission Orders Appointing Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Minutes of Current Year Organizational Meeting

Minutes on Adoption of Bond Resolution and Supplemental Parameters Resolution

Preliminary Official Statement

Official Statement

Continuing Disclosure Agreement

Consent of WDA

Receipt and Release of USDA

Prior Bond Resolutions

8. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: Except as otherwise disclosed in the Official Statement, there has been no adverse change in the financial condition of the Issuer or the System since May 25, 2017. As of June 8, 2017 the Issuer's bonded indebtedness consists of the following:

(1) Sewer Revenue Bond, Series 2005 B (State Revolving Fund), dated January 14, 2005, issued in the original aggregate principal amount of $6,192,677 and held by the West Virginia Water Development Authority (the "Series 2005 A Bonds"); and

(2) Sewer Revenue Bonds, Series 2002 A (State Revolving Fund), dated June 25, 2002, issued in the original aggregate principal amount of $293,000 and held by the West Virginia Water Development Authority (the "Series 2002 A Bonds" and, collectively with the Series 2005 A Bonds, the "Prior Bonds").

The Prior Bonds are secured by a first lien on and a pledge of the Net Revenues of the System, on a parity with each other. The Series 2017 A Bonds are issued on a parity with the Prior Bonds. The Issuer has obtained (a) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (b) the written consent of the registered owners of the Prior Bonds to the issuance of the Series 2017 A Bonds on a parity with the Prior Bonds. Except for the Prior Bonds the Issuer has no other bonds, notes or other obligations secured by or payable from revenues or assets of the System.

9. MEETINGS, ETC.: All actions, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Series 2017 A Bonds were authorized or adopted at meetings of the public service board of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Issuer, and all applicable statutes, including Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected, qualified and acting members of the public service board was present and acting at all times during all such meetings.

10. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Bradley Public Service District." The Issuer is a public service district and public corporation duly created by The County Commission of Raleigh County and presently existing under the laws of, and a public corporation and political subdivision of, the State of West Virginia. The governing body of the Issuer is its Public Service Board, consisting of 3 duly appointed, qualified and acting members whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement of Office	Date of Termination of Office
Daymon Sweeney	01/22/2013	12/31/2018
Dorothy Redden	12/20/2016	12/31/2022
Dwight Reggi	12/16/2014	12/31/2020

The names of the duly elected and/or appointed, qualified and acting officers of the Public Service Board of the Issuer for the calendar year 2017 are as follows:

Chairman	–	Daymon Sweeney
Secretary	–	Dorothy Redden

The duly appointed and acting Special Counsel to the Issuer is Steptoe & Johnson PLLC, Charleston, West Virginia.

11. PAYMENT OF THE BONDS TO BE REFUNDED: As of the date hereof, the Bonds to be Refunded have been prepaid and refunded and the liens and pledges securing the Bonds to be Refunded have been discharged and defeased.

12. SPECIMEN BONDS. Delivered concurrently herewith are true and accurate specimens of the Series 2017 A Bonds.

13. NO FEDERAL GUARANTY: The Series 2017 A Bonds are not, in whole or part, and will not be, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

14. IRS INFORMATION RETURN: On the date hereof, the undersigned Chairman did officially sign a properly completed IRS Form 8038-G and will cause such executed Form 8038-G to be filed in a timely manner with the Internal Revenue Service Center, Ogden, Utah, with respect to the Series 2017 A Bonds.

15. OFFICIAL STATEMENT CERTIFICATION: At and since the date of the Official Statement nothing has come to the attention of any signer hereof which would lead any such signer to believe that the Official Statement contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

16. CERTIFICATIONS OF ISSUER: In addition to the foregoing, the undersigned Chairman and Secretary hereby certify in connection with Section 6(c)(vi) of the Bond Purchase Agreement as follows: (A) the Issuer has duly performed all of its obligations to be performed at or prior to the date hereof and that each of its representations and warranties contained in the Bond Purchase Agreement are true as of the date hereof, (B) the Issuer has authorized, by all necessary action, the execution, delivery, receipt and due performance of the Series 2017 A Bonds, the Resolution, the Continuing Disclosure Agreement and any and all such other agreements and documents (collectively, the "Issuer Documents") as may be required to be executed, delivered and received by the Issuer in order to carry out, give effect to and consummate the transactions contemplated in the Bond Purchase Agreement and by the Official Statement, (C) to the Issuer's knowledge, no litigation is pending, or to the Issuer's

knowledge threatened, that might adversely affect the collection of the Net Revenues, the pledge of the Net Revenues to the Bonds, the refunding of the Bonds to be Refunded, the issuance or sale of the Series 2017 A Bonds or in any way affecting any authority for or the validity of the Series 2017 A Bonds or the Resolution, (D) to the best of the Issuer's knowledge, following appropriate inquiry, the execution, delivery, receipt and due performance of the Series 2017 A Bonds, the Issuer Documents and the other agreements contemplated by the Bond Purchase Agreement and by the Official Statement under the circumstances contemplated thereby and the Issuer's compliance with the provisions thereof will not conflict with or constitute on the part of the Issuer a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which the Issuer is subject or by which it may be bound, (E) to the best of our knowledge, no event affecting the Issuer has occurred since the date of the Official Statement that should be disclosed in the Official Statement to make the statements and information therein not misleading in any material respect for the purposes for which it is to be used, (F) the Issuer is in compliance, unless otherwise waived, with all covenants in its outstanding ordinances which authorized bonds secured by the Net Revenues of the System, and (G) the Issuer is obligated by the Continuing Disclosure Agreement and is in full compliance with all of its prior written continuing disclosure undertakings entered into pursuant to the provisions of Rule 15c2-12(b)(5), excepting only as described in the Continuing Disclosure section of the Official Statement.

17. DESIGNATION OF REGISTRAR, PAYING AGENT AND DEPOSITORY BANK: The Issuer hereby confirms the appointment of (a) United Bank, Inc., Charleston, West Virginia, as Registrar, (b) United Bank, Inc., Charleston, West Virginia, as Depository Bank for the Cost of Issuance Fund, and (c) West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent.

18. COUNTERPARTS: This Certificate may be executed in counterparts, and all counterparts shall be deemed to be the Certificate.

WITNESS our signatures and the official corporate seal of BRADLEY PUBLIC SERVICE DISTRICT on the day and year first written above.

[SEAL]

Signature	Official Title
	Chairman
	Secretary

099230.00012

7688860

LOWE & ASSOCIATES, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
1156 SOUTH MAIN STREET
MILTON, WEST VIRGINIA 25541
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June 8, 2017

Bradley Public Service District
Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified)

Bradley Public Service District
Bradley, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the Recommended Decision dated November 1, 2016, which became a Final Order on November 21, 2016 in Case No. 16-0466-PSD-42A of the Public Service Commission of West Virginia and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Bradley Public Service District (the "Issuer"), it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sanitary sewerage collection and treatment system (the "System") of the Issuer, will pay all operating expenses of the System and leave a balance each year equal to at least 110% of the maximum amount required in any year for debt service on the Issuer's Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified), in the aggregate principal amount of $2,640,000 (the "Series 2017 A Bonds"), and all other obligations secured by or payable from the Net Revenues of the System, on a parity with the Series 2017 A Bonds, including the Issuer's:

(1) Sewer Revenue Bond, Series 2005 A (State Revolving Fund), dated January 14, 2005, issued in the original aggregate principal amount of $6,192,677 (the "Series 2005 A Bonds"); and

(2) Sewer Revenue Bonds, Series 2002 A (State Revolving Fund), dated June 25, 2002, issued in the original aggregate principal amount of $293,000 (the "Series 2002 A Bonds" and, collectively with the Series 2005 A Bonds, the "Prior Bonds");

It is our further opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2017 A Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the issuance of the Series 2017 A Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Prior Bonds and the Series 2017 A Bonds.

Very truly yours,

Lowe & Associates, PLLC

Lowe & Associates, PLLC

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June 8, 2017

Bradley Public Service District
Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified)

Bradley Public Service District
Bradley, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the Recommended Decision dated November 1, 2016, which became a Final Order on November 21, 2016 in Case No. 16-0466-PSD-42A of the Public Service Commission of West Virginia and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Bradley Public Service District (the "Issuer"), it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sanitary sewerage collection and treatment system (the "System") of the Issuer, will pay all operating expenses of the System and leave a balance each year equal to at least 110% of the maximum amount required in any year for debt service on the Issuer's Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified), in the aggregate principal amount of $2,640,000 (the "Series 2017 A Bonds"), and all other obligations secured by or payable from the Net Revenues of the System, on a parity with the Series 2017 A Bonds, including the Issuer's:

(1) Sewer Revenue Bond, Series 2005 A (State Revolving Fund), dated January 14, 2005, issued in the original aggregate principal amount of $6,192,677 (the "Series 2005 A Bonds"); and

(2) Sewer Revenue Bonds, Series 2002 A (State Revolving Fund), dated June 25, 2002, issued in the original aggregate principal amount of $293,000 (the "Series 2002 A Bonds" and, collectively with the Series 2005 A Bonds, the "Prior Bonds");

It is our further opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2017 A Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the issuance of the Series 2017 A Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Prior Bonds and the Series 2017 A Bonds.

Very truly yours,

Lowe & Associates, PLLC

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June 8, 2017

Bradley Public Service District
Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified)

Bradley Public Service District
Bradley, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the Recommended Decision dated November 1, 2016, which became a Final Order on November 21, 2016 in Case No. 16-0466-PSD-42A of the Public Service Commission of West Virginia and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Bradley Public Service District (the "Issuer"), it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sanitary sewerage collection and treatment system (the "System") of the Issuer, will pay all operating expenses of the System and leave a balance each year equal to at least 110% of the maximum amount required in any year for debt service on the Issuer's Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified), in the aggregate principal amount of $2,640,000 (the "Series 2017 A Bonds"), and all other obligations secured by or payable from the Net Revenues of the System, on a parity with the Series 2017 A Bonds, including the Issuer's:

(1) Sewer Revenue Bond, Series 2005 A (State Revolving Fund), dated January 14, 2005, issued in the original aggregate principal amount of $6,192,677 (the "Series 2005 A Bonds"); and

(2) Sewer Revenue Bonds, Series 2002 A (State Revolving Fund), dated June 25, 2002, issued in the original aggregate principal amount of $293,000 (the "Series 2002 A Bonds" and, collectively with the Series 2005 A Bonds, the "Prior Bonds");

It is our further opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2017 A Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the issuance of the Series 2017 A Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Prior Bonds and the Series 2017 A Bonds.

Very truly yours,

Lowe & Associates, PLLC

Lowe & Associates, PLLC

LOWE & ASSOCIATES, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
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June 8, 2017

Bradley Public Service District
Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified)

Bradley Public Service District
Bradley, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the Recommended Decision dated November 1, 2016, which became a Final Order on November 21, 2016 in Case No. 16-0466-PSD-42A of the Public Service Commission of West Virginia and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Bradley Public Service District (the "Issuer"), it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sanitary sewerage collection and treatment system (the "System") of the Issuer, will pay all operating expenses of the System and leave a balance each year equal to at least 110% of the maximum amount required in any year for debt service on the Issuer's Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified), in the aggregate principal amount of $2,640,000 (the "Series 2017 A Bonds"), and all other obligations secured by or payable from the Net Revenues of the System, on a parity with the Series 2017 A Bonds, including the Issuer's:

(1) Sewer Revenue Bond, Series 2005 A (State Revolving Fund), dated January 14, 2005, issued in the original aggregate principal amount of $6,192,677 (the "Series 2005 A Bonds"); and

(2) Sewer Revenue Bonds, Series 2002 A (State Revolving Fund), dated June 25, 2002, issued in the original aggregate principal amount of $293,000 (the "Series 2002 A Bonds" and, collectively with the Series 2005 A Bonds, the "Prior Bonds");

It is our further opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2017 A Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the issuance of the Series 2017 A Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Prior Bonds and the Series 2017 A Bonds.

Very truly yours,

Lowe & Associates, PLLC

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Based upon the rates and charges set forth in the Recommended Decision dated November 1, 2016, which became a Final Order on November 21, 2016 in Case No. 16-0466-PSD-42A of the Public Service Commission of West Virginia and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Bradley Public Service District (the "Issuer"), it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sanitary sewerage collection and treatment system (the "System") of the Issuer, will pay all operating expenses of the System and leave a balance each year equal to at least 110% of the maximum amount required in any year for debt service on the Issuer's Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified), in the aggregate principal amount of $2,640,000 (the "Series 2017 A Bonds"), and all other obligations secured by or payable from the Net Revenues of the System, on a parity with the Series 2017 A Bonds, including the Issuer's:

(1) Sewer Revenue Bond, Series 2005 A (State Revolving Fund), dated January 14, 2005, issued in the original aggregate principal amount of $6,192,677 (the "Series 2005 A Bonds"); and

(2) Sewer Revenue Bonds, Series 2002 A (State Revolving Fund), dated June 25, 2002, issued in the original aggregate principal amount of $293,000 (the "Series 2002 A Bonds" and, collectively with the Series 2005 A Bonds, the "Prior Bonds");

It is our further opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2017 A Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the issuance of the Series 2017 A Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Prior Bonds and the Series 2017 A Bonds.

Very truly yours,

Lowe & Associates, PLLC

Lowe & Associates, PLLC

Bradley Public Service District
Sewer Refunding Revenue Bonds, Series 2017 A (Bank-Qualified)

UNDERWRITER'S CERTIFICATE

The undersigned Robert M. Steptoe, Director, Crews & Associates, Inc. (the "Underwriter"), for and on behalf of the Underwriter, as purchaser of the Sewer Refunding Revenue Bonds, Series 2017 A (Bank-Qualified), dated June 8, 2017, issued in the original aggregate principal amount of $2,640,000 (the "Series 2017 A Bonds"), hereby certifies this 8th day of June, 2017 that:

1. As of May 25, 2017, the date on which the Bond Purchase Agreement (the "Bond Purchase Agreement"), dated May 25, 2017, between Bradley Public Service District (the "Issuer") and the Underwriter was executed, the Underwriter offered all of the Series 2017 A Bonds to the general public (excluding bond houses, broker or similar persons or organizations acting in the capacity of underwriters or wholesalers) (collectively, the "Public") in a bona fide public offering and the Underwriter reasonably expected that the first prices at which at least 10% of each maturity would be sold by the Underwriter to the Public were the prices not higher than, or in the case of obligations sold on a yield basis, at yields not lower than, the initial prices shown on the inside cover of the Official Statement. At the time we agreed to purchase the Bonds, based upon our assessment of the then prevailing market conditions, we had no reason to believe any of the Bonds would be initially sold to the Public (excluding such bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices greater than the prices or yields less than the yields, shown on the inside cover of the Official Statement. Based upon our assessment of prevailing market conditions as of the Sale Date, the purchase price of each Bond is not less than the fair market value of each Bond as of the Sale Date.

2. The Issue Price for the Series 2017 A Bonds is $2,623,639.85.

3. The Weighted Average Maturity of the Series 2017 A Bonds is 8.905 years.

4. The Yield on the Series 2017 A Bonds is 3.2906%.

The Underwriter hereby confirms that the Series 2017 A Bonds Reserve Account in the amount of $218,738.78 established under the Resolution for the Series 2017 A Bonds is reasonable, necessary and required for marketability of the Bonds. The Underwriter further certifies that the amount deposited in the Series 2017 A Bonds Reserve Account is, as of the date of issuance, the least of (i) 10% of the original stated principal amount of the Series 2017 A Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2017 A Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2017 A Bonds.

5. The Underwriter has not and will not receive any compensation from the proceeds of the initial resale of the Series 2017 A Bonds, including investment earnings thereon, in excess of its underwriter's discount in the amount of $52,800.00.

6. This certificate may be relied upon by the Issuer with respect to its Tax Certificate relating to the Series 2017 A Bonds and by Steptoe & Johnson PLLC, Bond Counsel, in rendering their tax opinions with respect to the Bonds; provided, however, that nothing herein represents our interpretation of any laws, and in particular, regulations under section 148 of the Internal Revenue Code.

7. To the extent that we provided the Issuer and bond counsel with certain computations that show a bond yield, issue price, weighted average maturity and certain other information with respect to the Bonds, these computations are provided for informational purposes and are based on our understanding of directions that we have received from bond counsel regarding interpretation of the applicable law. We express no view regarding the legal sufficiency of any such computations or the correctness of any legal interpretation made by bond counsel.

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WITNESS my signature the day and year first written above.

CREWS & ASSOCIATES, INC.

By: _____

Its: Director

009230.00012

7688882

Bradley Public Service District
Sewer Refunding Revenue Bonds, Series 2017 A (Bank-Qualified)

Dated: June 8, 2017

TAX CERTIFICATE

The undersigned Chairman of Bradley Public Service District (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of $2,640,000 in aggregate principal amount of its Sewer Refunding Revenue Bonds, Series 2017 A (Bank-Qualified) (the "Series 2017 A Bonds"), hereby certifies as set forth in this Tax Certificate, on June 8, 2017 (the "Tax Certificate"). The Series 2017 A Bonds are being issued and delivered on June 8, 2017, pursuant to Article 16 of Chapter 13A of the Code of West Virginia of 1931, as amended, and the Bond Resolution adopted by the Issuer on May 17, 2017, as supplemented by the Supplemental Parameters Resolution, adopted by the Issuer on May 17, 2017, and a Certificate of Determinations executed by the Chairman on, and dated as of, May 25, 2017 (collectively, the "Bond Legislation").

A. DEFINITIONS

Any capitalized word or term used herein shall have the meanings set forth in EXHIBIT D, but if not defined in EXHIBIT D shall have the meaning set forth in the Bond Legislation.

B. GENERAL

1. This certificate is being executed and delivered pursuant to Section 148 of the Code. I am an officer of the Issuer charged with the responsibility for issuing the Series 2017 A Bonds. I am familiar with the facts, circumstances, and estimates herein certified and am duly authorized to execute and deliver this Tax Certificate on behalf of the Issuer.

2. This Tax Certificate may be relied upon as the certificate of the Issuer.

3. This Tax Certificate sets forth various facts regarding the Series 2017 A Bonds and establishes the expectations of the Issuer as to future events regarding the Series 2017 A Bonds and the use of the proceeds thereof. The certifications and representations made herein are intended, and may be relied upon, as a certification described in Regulations §1.148-2(b)(2). This Tax Certificate also sets forth certain terms and conditions relating to the restrictions on the use and investment of the proceeds of the Series 2017 A Bonds in order that interest thereon will be excluded from gross income for Federal income tax purposes.

4. This Tax Certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on the date hereof, the date on which the Series 2017 A Bonds are to be physically delivered in exchange for the issue price thereof, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. The Issuer has covenanted in the Bond Legislation that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2017 A Bonds which would cause the Series 2017 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without

limitation, the timely filing of a federal information return with respect to the Series 2017 A Bonds), so that the interest on the Series 2017 A Bonds will be and remain excluded from gross income for federal income tax purposes, and that it will not take any actions which would adversely affect such exclusion.

6. The Series 2017 A Bonds were sold on May 25, 2017, to the Underwriter for a purchase price of $2,570,839.85 (par amount of $2,640,000.00, less net original issue discount of $16,360.15 and less underwriter's discount of $52,800.00). No other obligations are (i) being sold at substantially the same time (within 15 days) as the Series 2017 A Bonds, (ii) being sold pursuant to the same plan of financing, and (iii) are reasonably expected to be paid from substantially the same source of funds as the Series 2017 A Bonds, determined without regard to guarantees from unrelated parties.

7. The Series 2017 A Bonds are being delivered simultaneously with the delivery of this Tax Certificate and are issued for the following purposes:

(a) to provide funds to currently refund the Issuer's outstanding Sewer Revenue Bonds, Series 1978, dated December 17, 1979, issued in the original aggregate principal amount of $1,522,000 (the "Series 1978 Bonds");

(b) to provide funds to currently refund the Issuer's outstanding Sewer Revenue Bonds, Series 1995 A, dated March 16, 1995, issued in the original aggregate principal amount of $2,000,000 (the "Series 1995 A Bonds");

(c) to provide funds to currently refund the Issuer's outstanding Sewer Revenue Bonds, Series 1995 B, dated March 16, 1995, issued in the original aggregate principal amount of $1,676,000 (the "Series 1995 B Bonds");

(d) to provide funds to currently refund the Issuer's outstanding Sewer Revenue Bonds, Series 1995 C, dated March 16, 1995, issued in the original aggregate principal amount of $250,000 (the "Series 1995 C Bonds" and, collectively with the Series 1978 Bonds, the Series 1995 A Bonds and the Series 1995 B Bonds, the "Bonds to be Refunded");

(e) to fund the Series 2017 A Bonds Reserve Account in the amount of $218,738.78; and

(f) to pay certain costs of issuance of the Series 2017 A Bonds and related costs.

8. The Purchase Price of the Series 2017 A Bonds is calculated as follows:

Par Amount of Series 2017 A Bonds	$2,640,000.00
Less: Original Issue Discount	(16,360.15)
Less: Underwriter's Discount	(52,800.00)
Purchase Price	$2,570,839.85

9. The sources of funds used for the refunding of the Bonds to be Refunded, including the proceeds of the Series 2017 A Bonds, are as follows:

SOURCES

Purchase Price	$2,570,839.85
Debt Service Reserve Funds of Bonds to be Refunded	305,591.13
Total Sources	$2,876,430.98

10. The sources available for the refunding of the Bonds to be Refunded, including the proceeds of the Series 2017 A Bonds, will be applied as follows:

USES

Payment to USDA	$2,601,877.12
Deposit to Series 2017 A Bonds Reserve Account	218,738.78
Cost of Issuance	55,815.08
Total Uses	$2,876,430.98

11. The Underwriter has certified in the Underwriter's Certificate, dated the date hereof, a copy of which is attached hereto as EXHIBIT A (the "Underwriter's Certificate"), that the Series 2017 A Bonds have been offered, and a substantial amount of each maturity (at least 10%) thereof sold, to purchasers other than bond houses, brokers or other intermediaries, at the initial respective offering prices shown on the cover page of the Official Statement for the Series 2017 A Bonds.

12. The yield on the Series 2017 A Bonds is the discount rate that, when used in computing the present value as of the Issue Date of all unconditionally payable payments of principal, interest and fees for qualified guarantees on the Series 2017 A Bonds produces an amount equal to the present value, using the same discount rate, of the aggregate issue price of the Series 2017 A Bonds as of the Sale Date, which was May 25, 2017.

Based on the above, the yield on the Series 2017 A Bonds, as so computed and certified by the Underwriter, has been determined to be 3.2906% (the "Bond Yield"), based on a "purchase price" equal to the Issue Price for the Series 2017 A Bonds.

13. For purposes of determining whether the Series 2017 A Bonds are private activity bonds, the Issuer makes the following representations. For this purpose, the proceeds of the Series 2017 A Bonds used for refunding purposes are treated in the same manner as the Bonds to be Refunded.

(i) Not more than ten percent (10%) of the proceeds of the Series 2017 A Bonds will be used, directly or indirectly, to replace funds which were used in any business carried on by any person other than a state or local governmental unit.

(ii) Not more than ten percent (10%) of the payment of principal of or interest on the Series 2017 A Bonds and the Bonds to be Refunded will, during the Combined Measurement Period, be, directly or indirectly, (A) secured by any interest in (1) property used or to be used for a private business use by any person other than a state or local governmental unit, or (2) payments in respect of such property, or (B) derived from payments (whether or not to the Issuer), in respect of property, or borrowed money, used or to be used for a private business use by any person other than a state or local governmental unit.

(iii) Not more than five percent (5%) of the proceeds of the Series 2017 A Bonds will be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

(iv) The Project will not over the Combined Measurement Period be used in such a manner that more than ten percent (10%) of the proceeds of the Series 2017 A Bonds will be used in the trade or business of a nongovernmental person. No user of the Project other than a state or local governmental unit has or will during the Combined Measurement Period use more than ten percent (10%) of such facilities on any basis other than the same basis as the general public, and no person other than a state or local governmental unit will be a user of more than ten percent (10%) of such facilities as a result of (A) ownership, (B) actual or beneficial use pursuant to a lease or a management or incentive payment contract, or (C) any other similar arrangement.

C. THE SERIES 2017 A BONDS

1. The principal amounts, interest rates, interest and principal payment dates, and debt service with respect to the Series 2017 A Bonds are detailed on EXHIBIT E attached hereto (the "Schedules").

2. A Sinking Fund for the Series 2017 A Bonds is created under the Bond Legislation. Monies deposited in the Series 2017 A Bonds Sinking Fund, including subsequent deposits thereto, will be spent within a 13-month period beginning on the date of deposit and will be depleted at least once a year, except for a reasonable carryover amount not in excess of one twelfth (1/12th) of the annual debt service on the Series 2017 A Bonds. The Series 2017 A Bonds Sinking Fund is designed to achieve a proper matching of the Issuer's revenues and debt service on the Series 2017 A Bonds within each Bond Year. All monies held in the Series 2017 A Bonds Sinking Fund will be used to pay debt service on the Series 2017 A Bonds. The Series 2017 A Bonds Sinking Fund qualifies as a Bona Fide Debt Service Fund and all monies in the Series 2017 A Bonds Sinking Fund will be invested without restriction as to yield and are not subject to rebate.

3. A Series 2017 A Bonds Reserve Account is created under the Bond Legislation for the Series 2017 A Bonds in an aggregate amount equal to the least of (i) 10% of the original principal amount of the Series 2017 A Bonds ($264,000.00), (ii) Maximum Annual Debt Service on the Series 2017 A Bonds ($218,738.78), or (iii) 125% of average annual Debt Service on the Series 2017 A Bonds ($270,230.33) (the "Series 2017 A Reserve Account Requirement"). The Series 2017 A Reserve Account has been funded with proceeds of the Series 2017 A Bonds in the amount of $218,738.78, which amount is equal to the Maximum Annual Debt Service on the Series 2017 A Bonds.

4. A Renewal and Replacement Fund is created, or continued, under the Bond Legislation, to be funded through monthly deposits of Revenues in an amount equal to 2.5% of the Gross Revenues of the System. Absent an Event of Default on the Series 2017 A Bonds, and depletion in full of the Series 2017 A Bonds Reserve Account, the Renewal and Replacement Fund is not expected to be used, or available, for the purpose of paying Debt Service on the Series 2017 A Bonds. Such monies will be invested without restriction as to yield and are not subject to rebate.

5. A Redemption Account for the Series 2017 A Bonds is created under the Bond Legislation. In the event monies are deposited into the Redemption Account, to the extent they are not part of a Bona Fide Debt Service Fund, they will, to the extent the yield thereon exceeds the yield on the Series 2017 A Bonds, be subject to rebate. Otherwise, they will be invested without restriction as to yield and are not subject to rebate.

6. A Costs of Issuance Fund is created under the Bond Legislation to be funded from proceeds of the Series 2017 A Bonds in the amount of $55,815.08. The Costs of Issuance include only those amounts directly related to the costs of issuance, sale and delivery of the Series 2017 A Bonds. All such amounts shall be fully expended within 6 months from the date hereof. Pending such disbursement, such monies will be invested without restriction as to yield and are not subject to rebate.

7. Other than the funds and accounts described above, there are no other funds or accounts of the Issuer which (i) are reasonably expected to be used to pay Debt Service on the Series 2017 A Bonds or which are pledged as collateral to secure repayment of Debt Service thereon and (ii) for which there is a reasonable assurance that amounts therein will be available to pay Debt Service on the Series 2017 A Bonds.

8. Accrued interest, if any, with respect to the Series 2017 A Bonds in an amount less than 6 month's interest on the Series 2017 A Bonds may be applied within one year from the date hereof toward the payment of interest first due on the Series 2017 A Bonds, as detailed in the Schedules. There is no pre-issuance accrued interest on the Series 2017 A Bonds.

9. No portion of the Series 2017 A Bonds is being issued solely for the purpose of investing the proceeds at a yield higher than the yield on the Series 2017 A Bonds or to replace funds which were used, directly or indirectly, to acquire investments with a yield higher than the yield on the Series 2017 A Bonds.

10. The Issuer certifies, warrants and covenants that the Series 2017 A Bonds are not and will not be part of a transaction or series of transactions that (i) attempts to circumvent the provisions of Section 148 of the Code and the related Regulations, thereby enabling the Issuer to exploit the difference between tax-exempt and taxable interest rates to obtain a material financial advantage; and (ii) overburdens the tax-exempt bond market in any manner, including, without limitation, issuing more bonds, issuing bonds earlier, or allowing them to remain outstanding longer than is otherwise reasonably necessary to accomplish the governmental purposes of the Series 2017 A Bonds.

D. REBATE

1. Application of 6 Month Expenditure Exception from Rebate. The Issuer expects to expend all of the gross proceeds of the Series 2017 A Bonds within 6 months of the issue date of the Series 2017 A Bonds and for the issue to be exempt from rebate pursuant to the "6 month rebate exception" set forth in Section 148(f)(4)(B) of the Code. Should the Issuer fail to expend all of such gross proceeds within such 6 month period then the Issuer shall comply with the rebate computation and payment requirements set forth in the remainder of this Section D.

2. Rebate Fund; Calculation of Rebate Amount.

(a) Section 148(f) of the Code requires the payment to the United States of the excess of the amount earned on the investment of Gross Proceeds in Nonpurpose Investments over the amount that would have been earned on such investments had the amount so invested been invested at a rate equal to the Bond Yield, together with any income attributable to such excess. Except as provided below, and as previously set forth as excepted in Section C hereof, all other funds or accounts treated as containing Gross Proceeds are subject to this requirement.

(b) Pursuant to the Bond Legislation, the Issuer has created the Rebate Fund. On or before 45 days following each Computation Date, an amount shall be deposited into the Rebate Fund by

the Issuer so that the balance held in the Rebate Fund shall equal the aggregate Rebate Amount due as of the Rebate Payment Date following such Computation Date. Monies so deposited shall be derived from the Issuer's own funds.

(c) On each Valuation Date, the Issuer agrees to value the Nonpurpose Investments allocable to the Series 2017 A Bonds thereunder in accordance with the Regulations. Notwithstanding anything herein to the contrary, the failure to perform the determination of Nonpurpose Investments allocable to the Series 2017 A Bonds as of a Valuation Date shall not be considered a violation of this provision if the application of the Universal Cap would not result in a reduction or reallocation of Gross Proceeds of an issue.

(d) To meet the rebate requirements of Section 148(f) of the Code, the Issuer (or the Rebate Analyst described in Section D.3. hereof) agrees and covenants to take the following actions:

(i) For each investment of (*x*) amounts held in the Reserve Account, and (*y*) any other monies held by the Issuer which constitute Gross Proceeds, the Issuer shall record the purchase date of such investment, its purchase price, accrued interest due on its purchase date, its face amount, its coupon rate, the frequency of its interest payment, its disposition price, accrued interest due on its disposition date and its disposition date.

(ii) For each Installment Computation Date with respect to Rebate Amounts specified in paragraph (iii) below, the Issuer shall compute the Yield on the Series 2017 A Bonds as required by the Code and Regulations. If any of the Series 2017 A Bonds are redeemed prior to their scheduled maturity, the Issuer agrees to seek the advice of Bond Counsel or other rebate expert to recompute the Yield on the Series 2017 A Bonds as required by the Regulations.

(iii) For each Computation Date, the Issuer shall determine the amount of earnings received on all Nonpurpose Investments described in paragraph (i) above that are allocable to Gross Proceeds of the Series 2017 A Bonds. In addition, where Nonpurpose Investments are retained by the Bond Commission after retirement of the Series 2017 A Bonds, any unrealized gains or losses as of the date of retirement of the Series 2017 A Bonds must be taken into account in calculating the earnings on such Nonpurpose Investments to the extent required by the Regulations.

(iv) In determining the Nonpurpose Investments that are allocable to Gross Proceeds of the Series 2017 A Bonds, the Issuer shall consider the allocation rules set forth in the Regulations, including the rules relating to the Universal Cap, as set forth in Regulations §1.148-6(b)(2). In general, the Universal Cap represents the maximum value of Nonpurpose Investments that may be allocated to an issue of bonds and is determined by reference to the Value of all the outstanding bonds of the issue.

(v) For each Computation Date, the Issuer shall calculate for each Nonpurpose Investment described in paragraph (iii) above, an amount equal to the earnings which would have been received on such Nonpurpose Investment at an interest rate equal to the Yield on the Series 2017 A Bonds as described in paragraph (ii) above. The method of calculation shall follow that set forth in the Regulations.

(vi) In determining the amount of any rebate computed pursuant to this section, all earnings on any Bona Fide Debt Service Fund to the extent such earnings do not exceed $100,000 in any Bond year shall not be taken into account.

(vii) For each Computation Date, the Issuer shall calculate the Rebate Amount (computed from the Issue Date of the Series 2017 A Bonds to each such Computation Date) by any appropriate method provided in the Code and Regulations that is applicable to the Series 2017 A Bonds, taking into account any computation credit allowed thereunder. In determining the Rebate Amount, the Issuer shall account for the amounts determined under paragraphs (iii), (iv), and (v) above.

(viii) If the Rebate Amount exceeds the amount on deposit in the Rebate Account, the Issuer shall immediately pay that amount, or cause that amount to be paid, into the Rebate Account.

3. Payment to United States. (a) Installment Computation Dates. Unless the Series 2017 A Bonds are redeemed prior to such time, the Issuer shall pay to the United States, not later than sixty (60) days after each Installment Computation Date, an amount which, when added to all previous rebate payments made with respect to the Series 2017 A Bonds, is equal to not less than ninety percent (90%) of the Rebate Amount (computed from the date of issuance of the Series 2017 A Bonds to each such Installment Computation Date).

(b) Final Computation Date. The Issuer shall pay to the United States, not later than sixty (60) days after the last outstanding Series 2017 A Bonds are paid or redeemed, one hundred percent (100%) of the Rebate Amount for the Final Computation Date (computed from the date of issuance of the Series 2017 A Bonds to the Final Computation Date).

(c) Mailing of Rebate Payment. Each Payment of an installment shall be mailed to the Internal Revenue Service Center, Internal Revenue Service Center, Ogden, Utah 84201-0027, or such other address for such purpose published by the Internal Revenue Service. Each payment shall be accompanied by (i) a copy of IRS Form 8038-T, and (ii) the CUSIP number for the Series 2017 A Bond with the latest maturity.

(d) Excess Balance in Rebate Fund; Excess Rebate Payments. If on the Rebate Payment Date the balance on deposit in the Rebate Fund is in excess of the Rebate Amount attributable to the Series 2017 A Bonds, such excess may be withdrawn by the Issuer from the Rebate Fund. The Issuer may direct that any overpayment of rebate may be recovered from any rebate payment previously made to the United States under any procedure that may be permitted by the Code or the Regulations.

(e) Recordkeeping. In connection with the rebate requirement, the Issuer shall maintain (or cause to be maintained) the following records:

(i) The Issuer shall record all amounts paid to the United States pursuant to Section E(2) hereof.

(ii) The Issuer shall retain records of the rebate calculations until three years after the Final Computation Date.

(iii) The Issuer shall keep and record the data described in section E(1)(c) hereof pertaining to the investment of the proceeds of the Series 2017 A Bonds until six years after the Final Computation Date.

4. Rebate Analyst. (a) A Rebate Analyst shall be appointed to perform the rebate calculations, as required herein.

(b) The Issuer may rely conclusively upon the opinions, calculations, determinations, directions and advice of the Rebate Analyst. The charges and fees for such Rebate Analyst shall be paid by the Issuer upon presentation of an invoice for services rendered in connection therewith.

5. Failure to Pay Rebate Amounts. In the event the Issuer fails to pay at the proper time and in the proper amounts, any Rebate Amount, it will pay the rebate amount plus interest within 180 days after discovery of such failure as set forth in Section 1.148-3(h)(3) of the Regulations. Notwithstanding the foregoing, in the event the Issuer fails to pay at the proper time and in the proper amount any Rebate Payment or correction amount, it hereby covenants and agrees to pay any penalty required by Internal Revenue Service in lieu of a declaration of taxability on the Series 2017 A Bonds.

6. No Transferred Proceeds. Other than transfers from the debt service reserve funds for the Bonds to be Refunded which will be used on June 8, 2017 to pay a portion of the costs of redeeming the Bonds to be Refunded, there are no remaining unspent proceeds of the Bonds to be Refunded that will become transferred proceeds of the Series 2017 A Bonds.

E. MISCELLANEOUS

1. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service Center, Ogden, Utah. For purposes of filing the Form 8038-G with the Internal Revenue Service, the Issuer's EIN is 55-6008864. The Form 8038-G attached hereto as EXHIBIT B is, to the best of my knowledge, true and correct, and may be relied upon by Bond Counsel.

In order to perform the calculations required by the Code, it is necessary to track separately all of the Gross Proceeds. To that end, the Issuer hereby agrees to instruct the Bond Commission to establish separate funds, accounts or subaccounts or to take other accounting measures in order to account fully for all Gross Proceeds.

2. The Issuer agrees to continue to monitor the use of the facilities and the expenditure of proceeds of the Series 2017 A Bonds in order to ensure compliance with the relevant tax rules and regulations required so that the interest on the Series 2017 A Bonds will be excluded from gross income for federal income tax purposes. The Issuer will use the compliance policies attached hereto as EXHIBIT C. The Issuer further agrees and understands that if the Tax Exempt Rules are not complied with, the Issuer, in consultation with Bond Counsel, may use (i) the remedial actions set forth in Regulations §1.141-12, or (ii) the voluntary closing agreement process of the Internal Revenue Service in order to bring the Series 2017 A Bonds into compliance with the Tax-Exempt Rules.

3. None of the proceeds of the Series 2017 A Bonds will be used (directly or indirectly) in any trade or business carried on by, or will be used to make or finance loans to, any person who is not a governmental unit.

4. The original proceeds of the Series 2017 A Bonds will not exceed the amount necessary for the governmental purposes thereof.

5. The Issuer shall not permit at any time or times any of the proceeds of the Series 2017 A Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Series 2017 A Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Series 2017 A Bonds as "private activity bonds" within the meaning of the Code.

6. The Series 2017 A Bonds are not, and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

7. The Issuer has not entered and will not enter into any transaction to reduce the Yield on an investment of the Gross Proceeds of the Series 2017 A Bonds so as to cause the amount to be rebated to the United States Treasury to be less than it would have been had the transaction been at arm's length and the Yield on the Series 2017 A Bonds not been relevant to either party to the transaction, and that all investments of Gross Proceeds will be made on an arm's length, Fair Market Value basis.

8. No portion of the proceeds of the Series 2017 A Bonds will be used directly or indirectly to replace funds of the Issuer or other related governmental agency that have been used directly or indirectly to acquire securities or obligations which may reasonably be expected, on the date hereof, to produce a yield materially higher than the Yield on the Series 2017 A Bonds.

9. In connection with the Series 2017 A Bonds, there has not been created or established, and the Issuer does not expect that there will be created or established, any sinking fund, pledged fund or similar fund (other than as specifically identified in this Tax Certificate), including without limitation any arrangement under which money, securities, or obligations are pledged directly or indirectly to secure the Series 2017 A Bonds or any contract securing the Series 2017 A Bonds or any arrangement providing for compensating, or minimum balances to be maintained by the Issuer or related governmental agencies with, any registered owner of the Series 2017 A Bonds.

10. The Series 2017 A Bonds are not and will not be part of a transaction or series of transactions that (i) attempt to circumvent the provisions of Section 148 of the Code, or any successor thereto, and the Regulations promulgated thereunder which enable the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage; or (ii) increase the burden on the market for tax-exempt obligations in any manner, including, without limitation, by selling obligations that would not otherwise be sold or selling a larger amount of obligations, or issuing them sooner, or allowing them to remain outstanding longer, than would otherwise be necessary.

11. The Issuer will rebate to the United States the amount, if any, required by the Code and to take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, and take all other actions

required of it in order to maintain the exclusion of interest on the Series 2017 A Bonds from gross income for federal income tax purposes.

12. The Issuer has retained the right to amend the Bond Legislation authorizing the issuance of the Series 2017 A Bonds if such amendment is necessary to assure compliance with Section 148(f) of the Code or as may otherwise be necessary to assure the exclusion of interest on the Series 2017 A Bonds from the gross income of the holders thereof. In addition, and notwithstanding any other provision hereof, any provision of this Tax Certificate shall be amended at any time and such amendment shall be complied with, upon receipt by the Issuer of an opinion of Bond Counsel that such amendment is necessary or permissible under the then current Code and Regulations and is either necessary to or will not adversely affect the excludability of interest on the Series 2017 A Bonds from gross income of the recipients thereof for federal income tax purposes.

13. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exemption of the interest on the Series 2017 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2017 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code. The Issuer covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of the Bond Legislation.

14. For purposes of complying with Regulations §1.148-2(b), an officer of the Issuer must certify the issuer's expectations as of the issue date. In accordance therewith, the undersigned Chairman of the Issuer hereby in good faith certifies that the representations and covenants set forth in this Certificate constitute the reasonable expectations of the Issuer as of the Issue Date. Accordingly, the representations and covenants set forth herein are intended and may be relied upon as the certification described in Regulations §1.148-2(b) and are being delivered as part of the record of proceedings in connection with the issuance of the Series 2017 A Bonds.

15. The Issuer hereby designates the par amount of the Series 2017 A Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Series 2017 A Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the par amount of the Series 2017 A Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2017, all as determined in accordance with the Code.

16. To the best of my knowledge, information and belief there are no other facts, estimates and circumstances which would materially change the representations, expectations, covenants, certifications and statements herein expressed.

17. Steptoe & Johnson PLLC is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions with respect to the issuance, sale and delivery of the Series 2017 A Bonds, including its opinions regarding the exclusion of interest on the Series 2017 A Bonds from gross income for federal income tax purposes.

WITNESS my signature the day and year first written above.

BRADLEY PUBLIC SERVICE DISTRICT

By: Raymon Sweeney
Its: Chairman

EXHIBIT A

UNDERWRITER'S CERTIFICATE

[Included in Transcript as Document No. 24]

EXHIBIT B

IRS FORM 8038-G

[Included in Transcript as Document No. 36]

EXHIBIT C

TAX COMPLIANCE POLICIES

[Included in Transcript as Document No. 26]

EXHIBIT D

DEFINITIONS

The following words and phrases shall have the following meanings or such other meanings as may be required under the Code or the Regulations.

"**Bona Fide Debt Service Fund**" means a fund which may include proceeds of an issue, that:

(a) Is used primarily to achieve a proper matching of revenues with principal and interest payments within each Bond Year; and

(b) Is depleted at least once each Bond Year, except for a reasonable carryover amount not to exceed the greater of:

(i) the earnings on the fund for the immediately preceding Bond Year; or

(ii) one-twelfth ($1/12^{th}$) of the principal and interest payments on the Series 2017 A Bonds for the immediately preceding Bond Year.

"**Bond Counsel**" means the law firm or firms delivering its or their approving opinion or opinions with respect to the issuance of the Series 2017 A Bonds and the exclusion of interest on the Series 2017 A Bonds from gross income for the purposes of federal income taxation.

"Bonds to be Refunded" means, collectively, the Series 1978 Bonds, the Series 1995 A Bonds, the Series 1995 B Bonds and the Series 1995 C Bonds.

"**Bond Year**" means the 12-month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, or such other period as shall be determined by the Issuer, except that the first Bond Year shall begin on the Closing Date.

"**Bond Yield**" means the yield of the Series 2017 A Bonds, calculated in accordance with the provisions of Regulations §1.148-4. (*See* Sections B.11. and B.12. hereof.)

"**Code**" means the Internal Revenue Code of 1986, as amended.

"Combined Measurement Period" means the period beginning on December 17, 1979 (the date of issuance of the Series 1978 Bonds), and ending on March 1, 2033 (the maturity date of the Series 2017 A Bonds).

"**Computation Date**" means each Installment Computation Date and the Final Computation Date.

"**Costs of Issuance**" means all costs incurred in connection with the issuance of the Series 2017 A Bonds within the meaning of Section 147(g) of the Code. Examples of costs of issuance include (but are not limited to):

(a) underwriter's spread (whether realized directly or derived through purchase of the Series 2017 A Bonds at a discount below the price at which a substantial number of Series 2017 A Bonds are sold to the public);

(b) counsel fees (including Bond Counsel, Underwriters' Counsel, Issuer's Counsel, and any other specialized counsel fees incurred in connection with the issuance of the Series 2017 A Bonds);

(c) financial advisor fees incurred in connection with the issuance of the Series 2017 A Bonds;

(d) trustee fees and registrar fees;

(e) paying agent, disbursement agent, and certifying and authenticating agent fees related to issuance of the Series 2017 A Bonds;

(f) accountant fees related to issuance of the Series 2017 A Bonds;

(g) printing costs (for the Series 2017 A Bonds and of preliminary and final offering materials); and

(h) costs incurred in connection with any required public approval process (*e.g.,* publication costs for public notices generally and costs of the public hearing or voter referendum).

"**Discharged**" means, with respect to any Bond, the date on which all amounts due with respect to such Bond are actually and unconditionally due if cash is available at the place of payment, and no interest shall accrue with respect to the Bond after such date.

"**Fair Market Value**" of an Investment means as follows:

(a) In General. Except as specifically otherwise provided below, the Fair Market Value of an Investment is the price at which a willing buyer would purchase the Investment from a willing seller in a bona fide arm's length transaction. The Fair Market Value of an Investment that is purchased directly from the United States Treasury is its purchase price.

(b) Safe Harbor for Establishing Fair Market Value for Guaranteed Investment Contracts and Investments Purchased for a Yield Restricted Defeasance Escrow. The purchase price of a guaranteed investment contract is treated as its Fair Market Value on the purchase date if -

(i) The institution makes a bona fide solicitation for a specified guaranteed investment contract and reserves at least three (3) bona fide bids from providers that have no material financial interest in the issue (*e.g.*, as underwriters or brokers);

(ii) The institution purchases the highest yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees);

(iii) The yield on the guaranteed investment contract (determined net of broker's fees) is not less than the yield then available from the provider on reasonably comparable guaranteed investment contracts, if any, offered to persons from a source of funds other than gross proceeds of tax exempt bonds;

(iv) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the Issuer's reasonably expected draw-down schedule for the amounts to be invested, exclusive of amounts deposited in debt service funds and reasonably required reserve or replacement funds;

(v) The terms of the guaranteed investment contract, including collateral security requirements, are reasonable; and

(vi) The obligor on the guaranteed investment contract certifies the administrative costs that it is paying (or expects to pay) to third parties in connection therewith.

(c) Safe Harbor for Establishing Fair Market Value for Certificates of Deposit. The Fair Market Value of a certificate of deposit is its purchase price if it has a fixed rate of interest, a fixed payment schedule, and a substantial penalty for early withdrawal and the yield on the certificate of deposit is not less than (i) the yield on reasonably comparable direct obligations of the United States; and (ii) the highest yield that is published or posted by the provider to be currently available on reasonably comparable certificates of deposit offered to the public.

"**Final Computation Date**" means the date on which the last Bond is Discharged.

"**Future Value**" means the amount determined by using the following formula:

$FV = PV(1+i)^n$

where:

FV = The future value of the nonpurpose receipt or payment at the end of the interval. Each interval ends on the last day of a compounding interval. The compounding interval is the same compounding interval used in computing the Bond Yield.

PV = The future value of the nonpurpose receipt or payment at the beginning of the interval, or the amount thereof if the computation is for the first interval. The first interval begins on the date the nonpurpose receipt or payment is actually or constructively received or paid (or otherwise is taken into account). The amount of every nonpurpose receipt and payment with respect to an issue that is taken into account at the beginning of the first interval may be rounded to the nearest whole dollar.

i = The Bond Yield during the interval (expressed as a decimal) divided by the number of compounding intervals in a year.

^{n} = A fraction, the numerator of which is the length of the interval and the denominator of which is the length of a whole compounding interval.

"**Gross Proceeds**" means Proceeds and Replacement Proceeds of the Series 2017 A Bonds within the meaning of the Regulations.

"**Installment Computation Date**" means the last day of the fifth Bond Year and each succeeding fifth Bond Year.

"**Investment**" means any security, obligation, annuity contract, or investment type property as defined in Section 148(b) of the Code.

"**Investment Proceeds**" means any amounts actually or constructively received from investing Proceeds of an issue of bonds.

"**Issue Date**" means June 8, 2017.

"**Issue Price**" means $2,623,639.85 being the Issue Price of the Series 2017 A Bonds. (*See* Section B.10. hereof.)

The Issue Price is the initial offering price to the public at which price a substantial amount of the Series 2017 A Bonds is sold. For this purpose, ten percent (10%) is a substantial amount, and the term "the public" does not include bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers. The Issue Price generally is the first price at which the Series 2017 A Bonds are sold to the public, and the issue price will not change if part of the issue is subsequently sold at a different price. The Issue Price of Series 2017 A Bonds that are not substantially identical is determined separately. The Issue Price of a bond issue for which a bona fide public offering is made is determined as of the sale date based on reasonable expectations regarding the initial public offering price. The Issue Price of the Series 2017 A Bonds may not exceed their fair market value as of the sale date.

"**Net Sale Proceeds**" means Sale Proceeds less the amount of those Sale Proceeds invested in a reasonably required reserve or replacement fund under Section 148(d) of the Code and as part of a minor portion under Section 148(e) of the Code.

"**Nonpurpose Investment**" means any Investment that is not acquired to carry out the governmental purpose of an issue.

"**Payment**" means a payment as defined in Regulations §1.148-3(d) for purposes of computing the Rebate Amount, and a payment as defined in Regulations §1.148-5(b) for purposes of computing the Yield on an Investment.

"**Present Value**" means the amount determined by using the following formula:

$$PV = \frac{FV(1+i)^n}{(1+i)^n}$$

where i equals the discount rate divided by the number of compounding intervals in a year and n equals the sum of (i) the number of whole compounding intervals for the period ending on the date as of which the Future Value is determined and (ii) a fraction the numerator of which is the length of any short compounding interval during such period and the denominator of which is the length of a whole compounding interval.

"**Present Value of an Investment**" means the value of an investment computed under the economic accrual method; using the same compounding interval and financial conventions used to compute the yield on the Series 2017 A Bonds. On any valuation date, the Present Value of an Investment is equal to the Present Value of all unconditionally payable receipts to be received from the payments to be paid for the investment after that date, using the Yield on the Investment as the discount rate.

"**Proceeds**" means any Sale Proceeds and Investment Proceeds of an issue of bonds. Proceeds do not include amounts that are actually or constructively received that with respect to an Investment that is acquired for the governmental purpose of an issue that are properly allocable to the immaterially higher yield under Regulations §1.148-2(d) or Section 143(g) of the Code or to qualified administrative cost recoverable under Regulations §1.148-5(e).

"Project" means collectively the improvements financed with the proceeds of the Bonds to be Refunded.

"**Rebate Amount**" means, in respect of the Series 2017 A Bonds, the amount determined pursuant to the Code and Regulations in accordance with Section E.1. hereof. Generally, under the Regulations, the rebate amount, as of any date, equals the excess of the Future Value of all Receipts with respect to Nonpurpose Investments allocated to the Gross Proceeds of the Series 2017 A Bonds over the Future Value of all the Payments with respect to such Nonpurpose Investments computed in accordance with the Regulations.

"**Rebate Analyst**" means the entity or person chosen by the Issuer in accordance with Section E.3. hereof to determine the Rebate Amounts.

"**Rebate Payment Date**" means the date following a Computation Date on which the Rebate Amount is mailed or otherwise filed with the Internal Revenue Service. The Rebate Payment Date cannot be a date which is more than 60 days after a Computation Date.

"**Receipt**" means a receipt as defined in Regulations §1.148-3(d) for purposes of computing the Rebate Amount, and a receipt as defined in Regulations §1.148-5(b) for purposes of computing Yield on an Investment.

"**Regulation**" or "**Regulations**" means the temporary, proposed or final Income Tax Regulations promulgated pursuant to Sections 103 and 141 through 150 of the Code, including those

Income Tax Regulations promulgated under Section 103(c) of the Internal Revenue Code of 1954, as amended, that are applicable pursuant to the Code.

"**Replacement Proceeds**" means amounts that are treated as replacement proceeds of an issue of bonds under Regulations §1.148-1(c). Generally, amounts are Replacement Proceeds of an issue if the amounts have a sufficiently direct nexus to the governmental purpose of the issue to conclude that the amounts would have been used for that governmental purpose if the proceeds of the issue were not used or to be used for that governmental purpose. Replacement Proceeds include, but are not limited to, sinking funds or pledged funds to the extent that those funds are held by or derived from a substantial beneficiary of the issue (which, for this purpose includes the issuer and any related party to the issuer).

"**Sale Proceeds**" means amounts actually or constructively received from the sale of an issue of bonds (including amounts used to pay underwriter's discount and compensation and accrued interest other than pre-issuance accrued interest). Sale Proceeds also include, but are not limited to, amounts derived from the sale of a right that is associated with a Series 2017 A Bond and that is described in Regulations §1.148-4(b)(4).

"**Tax-Exempt Bond**" means any tax-exempt bond within the meaning of Section 103 of the Code and Regulations §1.150-1 that is not investment property within the meaning of Section 148(b)(3) of the Code.

"**Underwriter**" means Crews & Associates, Inc., Morgantown, West Virginia.

"**Valuation Date**" means the date on which the value of the Nonpurpose Investments allocable to the Series 2017 A Bonds thereunder must be determined under Regulations §1.148-6. In general, beginning with the first Bond Year beginning after second year anniversary of the Issue Date, the first day of each Bond Year constitutes a Valuation Date.

"**Value of a Bond**" means the value of a bond determined under Regulations §1.148-4(e). Under those Regulations, value generally means:

> (a) In the case of a plain par bond (within the meaning of Regulations §1.148-1(b)), its outstanding stated principal amount, plus accrued unpaid interest or in the case of a plain par bond actually redeemed, or that is treated as redeemed, its stated redemption price on the redemption date plus accrued unpaid interest; and
>
> (b) In the case of a bond other than a plain par bond, the value on a date of such a bond is generally its Present Value on that date, using the yield on the issue of which the bond is a part as the discount factor. In determining the Present Value of a variable rate bond, the initial interest rate on the bond established by the index or other rate setting mechanism is used to determine the interest payments on that bond.

"**Value of an Investment**" means the value of an investment determined under Regulations §1.148-5(d). Under those Regulations, value as of any date generally means, for any fixed rate investment (within the meaning of Regulations §1.148-1(b)) or Yield Restricted Investment, Present Value on that date, and for any plain par investment (within the meaning of Regulations §1.148-1(b)), the outstanding stated principal amount, plus accrued unpaid interest, as of that date.

"**Yield**" or "**yield**" means the yield computed under Regulations §1.148-4 of the Regulations for the Series 2017 A Bonds, and the yield computed under Regulations §1.148-5 for an Investment.

"**Yield Restricted Investments**" means any Investments which either (1) bear a yield that is not materially higher than the Bond Yield, or (2) are investments in one or more Tax-Exempt Bonds.

EXHIBIT E

FINAL BOND SCHEDULES FROM UNDERWRITER

[Included in Transcript as Document No. 21]

7688890
099230.00012

TAX COMPLIANCE POLICIES

Purpose

Governmental issuers of tax-exempt and tax-credit bonds must comply with certain federal tax rules pertaining to expenditure of proceeds for qualified costs, rate of expenditure, use of bond financed property, investment of proceeds in compliance with arbitrage rules, and retention of records. The following policies are intended to establish compliance by the Bradley Public Service District, Bradley, West Virginia (the *"Issuer"*), as the issuer, with these rules in connection with the issuance of the Issuer's Sewer Refunding Revenue Bonds, Series 2017 A (the *"Bonds"*). It is understood and agreed by the Issuer, and the Issuer has covenanted to take all actions necessary to maintain the Tax-Exempt Bonds as tax-exempt state and local bonds.

Tax Requirements Associated with Sale and Issuance of Bonds

Review and retention of tax documents related to the sale and issuance of the Bonds will be supervised by the General Manager, or his or her designee (the "*Oversight Officer*").

- Form 8038-G (tax exempt bonds) will be reviewed and filed not later than the 15th day of the 2nd calendar month following the quarter in which the Bonds were issued. Filing of appropriate version or versions of Form 8038-G will be confirmed with bond counsel.

Expenditure of Proceeds for Governmental Costs

Expenditure of bond proceeds will be reviewed by the Oversight Officer.

- Proceeds of the Bonds will be disbursed pursuant to the Bond Legislation, and will be dispersed pursuant to a written requisition of an Authorized Officer, stating the date, amount and purpose of the disbursement.

- Requisitions must identify the financed property in conformity with the Tax and Non-Arbitrage Certificate executed by the Issuer at closing, including any certifications as to the character and average economic life of the bond-financed property.

- Requisitions for costs that were paid prior to the issuance of the Bonds are, in general, limited to costs paid subsequent to, or not more than 60 days prior to, the date a "declaration of intent" to reimburse the costs was adopted by the District. If proceeds are used for reimbursement, a copy of the declaration will be obtained and included in the records for the Tax-Exempt Bonds, if not already part of the bond transcript.

- Requisitions will be in accordance with expectations to spend or commit 5% of net sale proceeds of the Bonds within 6 months of issuance thereof, to spend 85% of net sale proceeds within 3 years of the issuance thereof, and to proceed with due diligence to complete the project and fully spend the net sale proceeds. Expected expenditure schedules, project timelines, and plans and specifications will be maintained to support expectations. Reasons for failure to meet the expected schedule will be documented and retained in the records for the Tax-Exempt Bonds.

- If the 18-month spending exception to rebate applies, expenditure of gross proceeds of the Bonds will be monitored against the following schedule for the arbitrage rebate exception for the Bonds, if applicable:

  15% within 6 months
  60% within 12 months
  100% within 18 months

- If the 2-year spending exception to rebate applies for the Bonds, expenditure of "available construction proceeds" will be monitored against the following schedule for the arbitrage rebate exception for construction bond issues, if applicable:

  10% within 6 months
  45% within 12 months
  75% within 18 months
  100% within 24 months

Expenditure of Proceeds

In addition to the general review of expenditures described above, expenditure of proceeds of the Bonds will be reviewed by the Oversight Officer.

- Reserve funds cannot exceed the least of 10% of bond proceeds, maximum annual debt service, or 125% of average annual debt service, calculated as of the date of issuance. The initial funding of any reserve fund will be measured against this limit.

- Only a small portion (5%) of the proceeds of the Bonds can be used for operating expenses or other "working capital" costs. Requisitions for costs of the Project will accordingly be monitored to confirm that proceeds are used to pay capital costs of the Project.

- Investment earnings on sale proceeds of the Bonds will be tracked and will be requisitioned only for appropriate expenditures.

Use of Bond-Financed Property

Use of property financed with proceeds of the Bonds when completed and placed in service will be reviewed by the Oversight Officer.

- Average nonexempt use of property financed with proceed of the Bonds over the life of the Bonds cannot exceed 10% of the proceeds.

- Agreements with business users or non-profit organizations for lease or management or services contracts, sponsored research, naming rights or any other potential nonexempt use of property financed with proceed of the Bonds will be reviewed prior to execution of any contract to determine if property subject to the Bond Legislation is bond-financed.

- Agreements with business users or other non-profit organizations for lease or management or services contracts or other private business use involving property financed with proceed of the Bonds will be tracked and aggregated with other private business uses for compliance with the 10% limit, as set forth in the Tax and Non-Arbitrage Certificate.

- No item of property financed with proceed of the Bonds will be sold or transferred to a nonexempt party without advance arrangement of a "remedial action" under the applicable Income Tax Regulations.

Investments and IRS Filings

Investment of proceeds of the Bonds in compliance with the arbitrage bond rules and rebate of arbitrage will be supervised by the Oversight Officer.

- Guaranteed investment contracts ("*GIC*") will be purchased only using the three-bid "safe harbor" of applicable Income Tax Regulations, in compliance with fee limitations on GIC brokers in the Income Tax Regulations.

- Other investments will be purchased only in market transactions.

- Calculations of rebate liability will be performed annually by outside consultants.

- Rebate payments will be made with Form 8038-T no later than 60 days after (a) each fifth anniversary of the date of issuance and (b) the final retirement of the issue. Compliance with rebate requirements will be reported to the bond trustee and the issuer.

- Identify date for first rebate payment at time of issuance. Enter in records for the issue.

Records

Management and retention of records related to the Bonds will be supervised by the Oversight Officer.

- Records will be retained for the life of the Bonds, plus any bonds subsequently issued to refinance the Bonds, plus three years. Records may be in the form of documents or electronic copies of documents, appropriately indexed to the Bonds and compliance functions.

- Retainable records pertaining to the Bonds include transcript of documents executed in connection with the issuance of the Bonds (including authorizing resolutions, Bond Legislation, Form 8038-G, and Tax and Non-Arbitrage Certificate) and any amendments, and copies of rebate calculations and records of payments, including Forms 8038-T.

- Retainable records pertaining to expenditures of proceeds of the Bonds include requisitions, accounting statements and final allocation of proceeds.

- Retainable records pertaining to use of property financed with proceeds of the Bonds include all agreements reviewed for nonexempt use and any reviewed documents relating to unrelated business activity.

- Retainable records pertaining to investments include GIC documents under the Income Tax Regulations, records of purchase and sale of other investments, and records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

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Overall Responsibility

Overall administration and coordination of this policy is the responsibility of the Oversight Officer.

BRADLEY PUBLIC SERVICE DISTRICT



By: Chairman

Date: June 8, 2017

The Depository Trust Company

A subsidiary of the Depository Trust & Clearing Corporation

BLANKET ISSUER LETTER OF REPRESENTATIONS

(To be completed by Issuer and Co-Issuer(s), if applicable)

Bradley Public Service District

(Name of Issuer and Co-Issuer(s), if applicable)

May 17, 2017

(Date)

The Depository Trust Company
570 Washington Blvd, 4th FL
Jersey City, NJ 07310
Attention: Underwriting Department

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request to be made eligible for deposit by The Depository Trust Company ("DTC").

Issuer is: **(Note: Issuer shall represent one and cross out the other.)**

[incorporated in] [formed under the laws of] West Virginia.

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Very truly yours,

Note:
Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Bradley Public Service District
(Issuer)

By: Daymon Sweeney
(Authorized Officer's Signature)

Daymon Sweeney
(Print Name)

P.O. Box 290
(Street Address)

Bradley, WV, United States, 25818-0290
(City) (State) (Country) (Zip Code)

(304) 877-5202
(Phone Number)

bpsd@suddenlinkmail.com
(E-mail Address)

DTCC

BLOR 06-2013

WEST VIRGINIA
Water Development Authority
Celebrating 43 Years of Service 1974 - 2017

June 8, 2017

Bradley Public Service District
Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of Lowe & Associates, the certified public accountant of the Issuer and the opinion of Steptoe & Johnson PLLC, as bond counsel, stating that the coverage and parity requirements have been met, the undersigned duly authorized representative of the West Virginia Water Development Authority, the registered owner of the Prior Bonds, hereinafter defined and described, hereby consents to the issuance of the Sewer Refunding Revenue Bonds, Series 2017 A (Bank Qualified), in the original aggregate principal amount of $2,640,000 (the "Series 2017 A Bonds") by Bradley Public Service District (the "Issuer"), under the terms of the resolution authorizing the Series 2017 A Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's:

(1) Sewer Revenue Bond, Series 2005 A (State Revolving Fund), dated January 14, 2005, issued in the original aggregate principal amount of $6,192,677 and held by the West Virginia Water Development Authority (the "Series 2005 A Bonds"); and

(2) Sewer Revenue Bonds, Series 2002 A (State Revolving Fund), dated June 25, 2002, issued in the original aggregate principal amount of $293,000 and held by the West Virginia Water Development Authority (the "Series 2002 A Bonds" and, collectively with the Series 2005 A Bonds, the "Prior Bonds").

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Sheila A. Miller

Authorized Representative

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CONTINUING DISCLOSURE POLICY

CONTINUING DISCLOSURE POLICIES AND PROCEDURES

FOR BRADLEY PUBLIC SERVICE DISTRICT

(Governmental Bonds)

Background

Pursuant to SEC Rule 15c2-12 (the "Rule"), issuers of obligations are required under most circumstances to file financial and operating information on an annual basis with the Municipal Securities Rulemaking Board (MSRB) using the Electronic Municipal Market Access system (EMMA- http://www.emma.msrb.org). Bradley Public Service District (the "Issuer") has issued or may issue obligations which are covered by the Rule (the "Obligations") and must comply with any required filings in a timely manner. These Policies and Procedures are intended to assure, for all Obligations of the Issuer, that all filings required under the Rule are made timely and completely and meet all requirements of the Rule. The Issuer has covenanted or will covenant to comply with the Rule through the execution and delivery of continuing disclosure agreements or certificates (each, a "Continuing Disclosure Undertaking") applicable to each issue of Obligations.

With respect to the Issuer, the Rule requires that an underwriter, prior to purchasing or selling an issue of obligations in connection with a covered offering, determine that the Issuer has undertaken in writing, with respect to that issue of Obligations, to provide the following information to the MSRB using EMMA and to the appropriate state information depository ("SID"), if any:

- By a specified date, annual financial and operating information for the Issuer substantially similar to the financial information and operating data presented in the official statement for such issue (an "Annual Information Filing");
- By a specified date, if available, audited annual financial statements for the Issuer ("Audited Financial Statements") and, if not available by the date required, unaudited financial statements with Audited Financial Statements within 10 business days of their availability;
- In a timely manner, notice of the occurrence of one or more of the listed events described in the Rule (a "Rule 15c2-12 Event Notice"); and
- In a timely manner, notice of a failure by the Issuer to make the required Annual Information Filing and/or file the Audited Financial Statements on or before the date(s) specified in the Continuing Disclosure Undertaking ("Notice of Failure").

Note: There is no SID currently in the State of West Virginia. If the State of West Virginia should establish a SID, the Issuer also will be required to file all required information with the SID.

Responsible Party; Maintenance of List and Files

The Responsible Party for the Issuer shall be the General Manager of the Issuer and any alternate or assistant as the General Manager shall appoint. The Responsible Party shall maintain a current list for each fiscal year identifying each issue of Obligations of the Issuer outstanding during such fiscal year setting forth the name, original principal amount, date of issuance and CUSIP numbers for each such issue and the dates by which the Annual Information Filings and the Audited Financial Statements are required to be submitted to the MSRB using EMMA, such list to be accompanied by copies of the related Continuing Disclosure Undertakings.

Annual Information Filing Requirements

The Responsible Party shall be knowledgeable and familiar with the provisions of each Continuing Disclosure Undertaking as to the type, format and content of the financial and operating information to be included in each Annual Information Filing to be made thereunder and the timing requirements for the filing thereof.

Audited Financial Statements

Audited Financial Statements of the Issuer are also required to be filed no later than the submission dates established under each Continuing Disclosure Undertaking. The Responsible Party shall be knowledgeable and familiar with the specific timing requirements for the filing of Audited Financial Statements and, if not available by the date(s) required, the provisions regarding the filing of unaudited financial statements under the terms of each Continuing Disclosure Undertaking. In any event, the Audited Financial Statements shall be filed within 10 business days of their receipt and acceptance.

Notices of Failures to File

The Responsible Party shall be knowledgeable and familiar with the specific requirements for the filing of a Notice of Failure to make Annual Information Filings and/or to file Audited Financial Statements by the date(s) required under the terms of each Continuing Disclosure Undertaking.

Preparation

Approximately 90 days before the submission date for required filings established under each Continuing Disclosure Undertaking, the Responsible Party shall initiate the process of preparing the financial and operating information required to be submitted thereunder. The Responsible Party shall assemble the information available at that time and determine the scope of additional information to be required and also contact the auditors to establish a schedule for completion and submission for the Audited Financial Statements.

On or before the submission date established under each Continuing Disclosure Undertaking, the Responsible Party (either on its own behalf or through a dissemination agent which the Issuer has engaged for such purpose) shall file the Annual Information Filing together with the Audited

Financial Statements. If the Audited Financial Statements are not then available, unaudited financial information shall be filed with the MSRB using EMMA and the Audited Financial Statements shall be filed within 10 business days of their receipt and acceptance.

The Responsible Party shall set calendar reminders in the Issuer's recordkeeping systems.

Listed Events

The Rule also requires filing of a Rule 15c2-12 Event Notice upon the occurrence of certain listed events described in the Continuing Disclosure Undertakings. Attached hereto is a description of the listed events current as of the date of execution of these Policies and Procedures, but the Responsible Party shall review the EMMA web site from time to time to determine whether there have been any changes to the listed events for which a Rule 15c2-12 Event Notice is required. The Responsible Party shall provide a Rule 15c2-12 Event Notice to the MSRB using EMMA within 10 business days of occurrence of any such listed event.

Familiarity with EMMA Submission Process

The Responsible Party shall register with EMMA and review the on-line process of filing with EMMA located at www.emma.msrb.org in order to submit the required information. If the Issuer engages the services of a dissemination agent to make required filings hereunder, the Responsible Party shall not be required to register with EMMA. A tutorial is available at the MSRB website and a practice submission is available as well.

The Responsible Party also shall enroll the Issuer in EMMA's reminder system, so long as such system is available, to ensure timely performance of their responsibilities and obligations.

Training Efforts

To ensure adequate resources to comply with the Rule, the Responsible Party shall develop a training process aimed at providing additional assistance in preparing required information. The training process shall be conducted at least annually and shall encompass a review of the Issuer's filing requirements under its existing Continuing Disclosure Undertakings, the EMMA submission process and an understanding of the timing requirements necessary for full compliance. Such training may occur in conjunction with other issuers of governmental bonds and may be coordinated and/or sponsored by an association of which the Issuer is a member (e.g. the West Virginia Municipal League or the West Virginia Chapter of the Government Finance Officers Association).

Coordination Effort

The Responsible Party shall coordinate the preparation and submission of the required information with any dissemination agent which has been engaged by the Issuer for such purpose to ensure full compliance with the requirements of the Rule and the Continuing Disclosure Undertakings.

Records Retention

The Responsible Party, or the dissemination agent at the direction of the Responsible Party, shall maintain records with respect to the filings with the MSRB using EMMA, including, but not limited to, EMMA posting receipts showing the dates and nature or contents of all filings for each issue of Obligations of the Issuer outstanding during each fiscal year.

Dated: June 8, 2017

Chairman

EVENTS FOR WHICH
RULE 15C2-12 EVENT NOTICES ARE REQUIRED
(Current as of November 17, 2014)

1. Principal and interest payment delinquencies.

2. Nonpayment-related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

7. Modifications to rights of security holders, if material.

8. Bond calls, if material.

9. Defeasances.

10. Release, substitution or sale of property securing repayment of the securities, if material.

11. Rating changes.

12. Tender offers.

13. Bankruptcy, insolvency, receivership or similar event of the Issuer[†].

14. The consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

15. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

[†]This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

BRADLEY PUBLIC SERVICE DISTRICT

SEWER REVENUE BONDS, SERIES 2002A

(STATE REVOLVING FUND)

BOND RESOLUTION

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BRADLEY PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE DESIGN OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF BRADLEY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $293,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2002A (STATE REVOLVING FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF BRADLEY PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

Section 1.02. Findings. It is hereby found, determined and declared that:

A. Bradley Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Raleigh County of said State.

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the

inhabitants of the Issuer that there be planned and designed certain improvements and extensions to the existing public sewerage facilities of the Issuer, consisting of the acquisition, construction, installation and equipping of a new 1 mgd SBR wastewater treatment plant at the location of the existing plant on North Sands Fork of Paint Creek, utilizing the clarifiers, digesters, oxidation ditch and lab building of the existing facility, and the installation of a conventional gravity system to the communities of Eunice, Pettus, Mar Fork, Jarrolds Valley, Walhonde #1 and Walhonde #2, with collected wastewater to be transported and treated at the existing Boone-Raleigh Public Service District wastewater treatment plant, the abandonment of existing packaged treatment facilities at Eunice, Walhonde #1 and Walhonde #2 and related property and equipment (collectively, the "Project"), which constitute properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the existing public sewerage facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System").

C. The Issuer intends to permanently finance such costs of design of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Water Pollution Control Revolving Fund program (the "SRF Program"), pursuant to the Act, in order to take advantage of the favorable terms available to the Issuer under the SRF Program.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2002A (State Revolving Fund), in the aggregate principal amount of not more than $293,000 (the "Series 2002A Bonds"), initially to be represented by a single bond, to permanently finance a portion of the costs of design of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; amounts which may be deposited in the Series 2002A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the SRF Administrative Fee (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2002A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the cost of design of the Project, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2002A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System is not less than 35 years.

F. It is in the best interests of the Issuer that its Series 2002A Bonds be sold to the Authority pursuant to the terms and provisions of a bond purchase

agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the Issuer, the Authority and the DEP (the "Bond Purchase Agreement"), approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank either on a parity with or junior and subordinate to the Series 2002A Bonds as to liens, pledge and source of and security for payment, which obligations are designated and have the lien positions with respect to the Series 2002A Bonds as follows:

a. Sewer Revenue Bond, Series 1978, dated December 17, 1979, issued in the original principal amount of $1,522,000 (the "Series 1979 Bonds");

b. Sewer Revenue Bonds, Series 1995 A, 1995 B and 1995 C, dated March 16, 1995, issued in the original principal amounts of $2,000,000, $1,676,000 and $250,000, respectively (the "Series 1995 Bonds"); and

c. Sewerage System Design Notes, Series 2002B (West Virginia Infrastructure Fund), issued concurrently herewith in the original principal amount of $200,000 (the "Notes").

The Series 1979 Bonds and the Series 1995 Bonds are hereinafter collectively called the "Prior Bonds."

The Series 2002A Bonds shall be issued on a parity with the Prior Bonds, and senior and prior to the Notes with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has met the coverage and parity requirements for issuance of parity bonds of the Prior Bonds and the resolutions authorizing the Prior Bonds and has substantially complied with all other parity requirements, except to the extent that noncompliance with any such other parity requirements is not of a material nature. Prior to the issuance of the Series 2002A Bonds, the Issuer will obtain the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, the written consent of the Holders of the Prior Bonds to the issuance of the Series 2002A Bonds on a parity with the Prior Bonds and the written consent of the Holders of the Notes to the issuance of the Series 2002A Bonds on a senior and prior basis to the Notes. Other than the Prior Bonds and the Notes, there are no outstanding bonds or obligations of the Issuer that are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest on the Bonds, and to make payments into all Sinking Funds, Reserve Accounts and other payments provided for herein, all as such terms are hereinafter defined.

I. The Issuer has complied with all requirements of West Virginia law and the Bond Purchase Agreement relating to authorization of the design of the Project and the operation of the System and issuance of the Series 2002A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the obtaining of a certificate of public convenience and necessity, if necessary, and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2002A Bonds or such final order will not be subject to appeal or rehearing.

J. The Project has been approved by the West Virginia Infrastructure and Jobs Development Council as required under Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2002A Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2002A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.04. Definitions. The following terms shall have the following meanings herein unless the context expressly requires otherwise:

"Act" means, collectively, Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2002A Bonds, or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

"Authorized Officer" means the Chairman of the Governing Body of the Issuer or any temporary Chairman duly selected by the Governing Body.

"Bondholder," "Holder of the Bonds," "Holder," "Registered Owner" or any similar term whenever used herein with respect to an outstanding Bond or Bonds, means the person in whose name such Bond is registered.

"Bond Legislation," "Resolution," "Bond Resolution" or "Local Act" means this Bond Resolution and all orders and resolutions supplemental hereto or amendatory hereof.

"Bond Purchase Agreement" means the Bond Purchase Agreement heretofore entered, or to be entered, into by and among the Authority, the DEP and the Issuer, providing for the purchase of the Series 2002A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Bond Registrar" means the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns.

"Bonds" means, collectively, the Series 2002A Bonds, the Prior Bonds, and any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

"Bond Year" means the 12-month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

"Chairman" means the Chairman of the Governing Body of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2002A Bonds for all or a portion of the proceeds of the Series 2002A Bonds from the Authority.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations.

"Commission" means the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia that succeeds to the functions of the Commission.

"Completion Date" means the completion date of the Project, as defined in the SRF Regulations.

"Consulting Engineers" means Ghosh Engineers, Inc., Charleston, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System or portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

"Costs" or "Costs of the Project" means those costs described in Section 1.02D hereof to be a part of the cost of design of the Project.

"DEP" means the West Virginia Department of Environmental Protection, or any other agency, board or department of the State that succeeds to the functions of the DEP.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns, which shall be a member of FDIC.

"FDIC" means the Federal Deposit Insurance Corporation and any successor to the functions of the FDIC.

"Fiscal Year" means each 12-month period beginning on July 1 and ending on the succeeding June 30.

"Governing Body" or "Board" means the public service board of the Issuer, as it may now or hereafter be constituted.

"Government Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America.

"Grants" means all moneys received by the Issuer on account of any Grant for the Project.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined.

"Herein," "hereto" and similar words shall refer to this entire Bond Legislation.

"Independent Certified Public Accountants" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

"Investment Property" means

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

"Issuer" means Bradley Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Raleigh County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Net Proceeds" means the face amount of the Series 2002A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2002A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2002A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means the balance of the Gross Revenues, remaining after deduction of Operating Expenses, as hereinafter defined.

"Nonpurpose Investment" means any Investment Property, as defined in Section 148(b) of the Code, that is not a purpose investment.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the costs, the SRF Administrative Fee, fees and expenses of the Authority, fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as herein defined), other than those capitalized as part of the costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted

accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond cancelled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any Bonds registered to the Issuer.

"Parity Bonds" means additional Bonds issued under the provisions and within the limitations prescribed by Section 7.07 hereof.

"Paying Agent" means the Commission or other entity designated as such for the Series 2002A Bonds in the Supplemental Resolution with the written consent of the Authority and the DEP.

"Prior Bonds" means, collectively, the Series 1979 Bonds and the Series 1995 Bonds as described in Section 1.02G hereof.

"Prior Resolutions" means, individually or collectively, the resolution of the Issuer adopted October 16, 1978, authorizing the Series 1979 Bonds; and the resolution of the Issuer adopted March 8, 1995, authorizing the Series 1995 Bonds.

"Private Business Use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit; provided that use as a member of the general public shall not be taken into account.

"Project" means the Project as described in Section 1.02B hereof.

"Qualified Investments" means and includes any of the following:

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

(f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;

(g) Repurchase agreements or similar banking arrangements, fully secured by investments of the types described in paragraphs (a) through (e) above or fully insured by the FDIC, with member banks of the Federal Reserve system or banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended, including, without limitation, authorized pools of investments operated by such State Board of Investments; and

(i) Obligations of states or political subdivisions or agencies thereof, the interest on which is excluded from gross income for federal income tax

purposes, and which are rated at least "A" by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

"Registrar" means the Bond Registrar.

"Regulations" means temporary and permanent regulations promulgated under the Code or any predecessor to the Code.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by the Prior Resolutions and continued hereby.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2002A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any reserve account for the Series 2002A Bonds and the Prior Bonds.

"Revenue Fund" means the Revenue Fund established by the Prior Resolutions.

"Second Lien Bonds" means the Series 2002B Bonds as described in Section 1.02G hereof.

"Secretary" means the Secretary of the Governing Body of the Issuer.

"Series 1979 Bonds" means the Sewer Revenue Bonds, Series 1979, of the Issuer as described in Section 1.02G hereof.

"Series 1995 Bonds" means the Sewer Revenue Bonds, Series 1995 A, B and C, of the Issuer as described in Section 1.02G hereof.

"Series 2002A Bonds" means the Sewer Revenue Bonds, Series 2002A (State Revolving Fund), of the Issuer, authorized by this Resolution.

"Series 2002A Bonds Project Fund" means the Series 2002A Bonds Project Fund established by Section 5.01 hereof.

"Series 2002A Bonds Reserve Account" means the Series 2002A Bonds Reserve Account established in the Series 2002A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2002A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2002A Bonds in the then current or any succeeding year.

"Series 2002A Bonds Sinking Fund" means the Series 2002A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Series 2002A Bonds and the Prior Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid under the Bond Purchase Agreement.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 2002A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2002A Bonds, and not so included, may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2002A Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.

"System" means the complete properties of the Issuer for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, improvements and extensions thereto hereafter constructed or acquired for said system from any sources whatsoever.

"Tap Fees" means the fees, if any, paid by prospective customers of the System in order to connect thereto.

Additional terms and phrases are defined in this Resolution as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender; and

any requirement for execution or attestation of the Bonds or any certificate or other document by the Chairman or the Secretary shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Chairman or Acting Secretary.

ARTICLE II

AUTHORIZATION OF DESIGN OF THE PROJECT

Section 2.01. Authorization of Design of the Project. There is hereby authorized and ordered the design of the Project, at an estimated cost of $516,000. The proceeds of the Series 2002A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer will enter into contracts for the design of the Project, compatible with the financing plan submitted to the SRF Program.

The cost of design of the Project is estimated to be $516,000, of which $293,000 will be obtained from the proceeds of the Series 2002A Bonds, $200,000 will be obtained from the Notes, and $23,000 will be contributed from the District's own funds.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF BOND PURCHASE AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2002A Bonds, funding a reserve account for the Series 2002A Bonds, paying Costs of design of the Project not otherwise provided for and paying certain costs of issuance of the Series 2002A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2002A Bonds of the Issuer. The Series 2002A Bonds shall be issued as a single bond, designated as "Sewer Revenue Bonds, Series 2002A (State Revolving Fund)," in the principal amount of not more than $293,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2002A Bonds remaining after funding of the Series 2002A Bonds Reserve Account (if funded from Bond proceeds), capitalizing interest on the Series 2002A Bonds, if any, shall be deposited in or credited to the Series 2002A Bonds Project Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2002A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Bond Purchase Agreement. The Series 2002A Bonds shall be payable as to principal at the office of the

Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2002A Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2002A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2002A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2002A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Bonds shall be dated and shall bear interest, if any, as set forth in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2002A Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2002A Bonds shall cease to be such officer of the Issuer before the Series 2002A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2002A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2002A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2002A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2002A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2002A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2002A Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a

substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2002A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2002A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2002A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of the Series 2002A Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds and senior and prior to the lien on such Net Revenues in favor of the Holders of the Notes. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Prior Bonds and the Series 2002A Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2002A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2002A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2002A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2002A Bonds to the original purchasers;

C. An executed and certified copy of the Bond Legislation;

D. An executed copy of the Bond Purchase Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2002A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2002A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BRADLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2002A
(STATE REVOLVING FUND)

No. AR-1 $293,000.00

KNOW ALL MEN BY THESE PRESENTS: That BRADLEY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Raleigh County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of TWO HUNDRED NINETY-THREE THOUSAND DOLLARS ($293,000.00), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 200_, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 200_, as set forth on EXHIBIT B attached hereto.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority and the DEP, dated _____, 2002.

This Bond is issued (i) to pay a portion of the costs of design of certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public sewerage facilities of the Issuer, the improvements and extensions designed by the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended

(collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on May 8, 2002, and a Supplemental Resolution duly adopted by the Issuer on _____, 2002 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S SEWER REVENUE BOND, SERIES 1979 AND ITS SEWER SYSTEM REVENUE BONDS, SERIES 1995 A, SERIES 1995 B AND SERIES 1995 C, DESCRIBED IN RESOLUTIONS ADOPTED ON OCTOBER 16, 1978, AND MARCH 8, 1995, RESPECTIVELY, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNTS OF $1,522,000, $2,000,000, $1,676,000, AND $250,000, RESPECTIVELY.

THE SERIES 1979 BONDS AND THE SERIES 1995 BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS."

THIS BOND IS ISSUED SENIOR AND PRIOR, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE SEWERAGE SYSTEM DESIGN NOTES, SERIES 2002B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____ __, 2002, ISSUED CONCURRENTLY IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $200,000 (THE "NOTES").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2002A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds that may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2002A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2002A Bonds Reserve

Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of design of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, this Bond will be in default should any proceeds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, BRADLEY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 2002.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2002A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 200___.

THE CITY NATIONAL BANK OF WEST VIRGINIA,
as Registrar

By: _____

Its: _____

(Form of)

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$		(7)	$	
(2)	$		(8)	$	
(3)	$		(9)	$	
(4)	$		(10)	$	
(5)	$		(11)	$	
(6)	$		(12)	$	

TOTAL $

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____. Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20__.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Bond Purchase Agreement. The Bond Purchase Agreement, including all schedules and exhibits attached thereto, are hereby approved. The Series 2002A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Bond Purchase Agreement in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Bond Purchase Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. "Amended Schedule A" Filing. Within 60 days following the Completion Date, the Issuer will file with the Authority and the DEP a schedule, the form of which will be provided by the DEP, setting forth the actual costs of design of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Resolutions) and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

(1) Revenue Fund (established by the Prior Resolutions);

(2) Renewal and Replacement Fund (established by the Prior Resolutions);

(3) Series 1979 Bonds Sinking Fund (established by the Prior Resolutions);

(4) Within the Series 1979 Bonds Sinking Fund, the Series 1979 Bonds Reserve Account (established by the Prior Resolutions);

(5) Series 1995 Bonds Sinking Fund (established by the Prior Resolutions);

(6) Within the Series 1995 Bonds Sinking Fund, the Series 1995 Bonds Reserve Account (established by the Prior Resolutions); and

(7) Series 2002A Bonds Project Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 2002A Bonds Sinking Fund; and

(2) Within the Series 2002A Bonds Sinking Fund, the Series 2002A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first each month pay from the Revenue Fund the amount necessary and sufficient to pay current Operating Expenses.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the National Finance Office the amounts required by the Prior Resolutions (i) for deposit in the Series 1979 Bonds Sinking Fund for the payment of the interest on the Series 1979 Bonds; and (ii) for deposit in the Series 1995 Bonds Sinking Fund for the payment of the interest on the Series 1995 Bonds.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the National Finance Office or the Commission the amounts required by the Prior Resolutions (i) for deposit in the Series 1979 Bonds Sinking Fund for payment of the principal of the Series 1979 Bonds; (ii) for deposit in the Series 1995 Bonds Sinking Fund for the payment of the principal of the Series 1995 Bonds; and (iii) commencing 3 months prior to the first date of payment of principal of the Series 2002A Bonds, remit to the Commission for deposit in the Series 2002A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of

principal which will mature and become due on the Series 2002A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2002A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Depository Bank or the Commission the amounts required by the Prior Resolutions for deposit in (i) the Series 1979 Bonds Reserve Account; (ii) the Series 1995 Bonds Reserve Account; and (iii) commencing 3 months prior to the first date of payment of principal of the Series 2002A Bonds, if not fully funded upon issuance of the Series 2002A Bonds, remit to the Commission for deposit in the Series 2002A Bonds Reserve Account, an amount equal to 1/120th of the Series 2002A Bonds Reserve Requirement: provided that, no further payments shall be made into the Series 2002A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2002A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, from the moneys remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 2002A Bonds Sinking Fund shall be used only for the purpose of paying principal of and interest, if any, on the Series 2002A Bonds as the same shall become due. Moneys in the Series 2002A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series

2002A Bonds as the same shall come due, when other moneys in the Series 2002A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2002A Bonds Sinking Fund and the Series 2002A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due, if any, on the Series 2002A Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2002A Bonds Reserve Account which result in a reduction in the balance therein below the Series 2002A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2002A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2002A Bonds Sinking Fund or the Series 2002A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2002A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve account payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2002A Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2002A Bonds Sinking Fund and the Series 2002A Bonds Reserve

Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into the Series 2002A Bonds Sinking Fund and the Series 2002A Bonds Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2002A Bonds Sinking Fund and the Series 2002A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2002A Bonds Sinking Fund, including the Series 2002A Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2002A Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve account payments with respect to the Series 2002A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the SRF Administrative Fee as set forth in the Schedule Y attached to the Bond Purchase Agreement.

C. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Bond Purchase Agreement as Exhibit F, and submit a copy of said form along with a copy of its payment check to the Authority by the 5th day of such calendar month.

D. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the

Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically deducted from the Revenue Fund and transferred to the Commission on the dates required.

F. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in any of the funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

H. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

I. The Gross Revenues of the System shall only be used for purposes of the System.

ARTICLE VI

BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 2002A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2002A Bonds, there shall first be deposited with the Commission in the Series 2002A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2002A Bonds, there shall be deposited with the Commission in the Series 2002A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2002A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2002A Bonds, such moneys shall be deposited with the Depository Bank in the Series 2002A Bonds Project Fund and applied solely to payment of Costs of design of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2002A Bonds.

D. After completion of design of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2002A Bonds shall be used to fund the Series 2002A Bonds Reserve Account, if not funded upon issuance of the Series 2002A Bonds, in an amount not to exceed the Series 2002A Bonds Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Series 2002A Bonds be deposited in the Series 2002A Bonds Reserve Account. Any remaining proceeds thereafter shall be used as directed by the DEP.

Section 6.02. Disbursements From the Project Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 2002A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments of all Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Project Fund shall be made only after submission to, and approval from, the Authority and the DEP of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Bond Purchase Agreement as Exhibit C, and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

(A) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

(B) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(C) Each of such costs has been otherwise properly incurred; and

(D) Payment for each of the items proposed is then due and owing.

Pending such application, moneys in the Project Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2002A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2002A Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2002A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2002A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2002A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of the Series 2002A Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds and senior and prior to the lien on such Net Revenues in favor of the Holders of the Notes. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2002A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges , with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Bond Purchase Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Final Order of the Public Service Commission of West Virginia entered March 27, 2000, in Case No. 99-1194-PSD-19A, and such rates are hereby adopted.

So long as the Series 2002A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Bond Purchase Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2002A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Bond Purchase Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Bond Purchase Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, or any part thereof, except as provided in the Prior Resolutions. Additionally, so long as the Series 2002A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2002A Bonds, immediately be remitted to the Commission for deposit in the Series 2002A Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2002A Bonds. Any balance remaining after the payment of the Series 2002A Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then,

if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall with the written consent of the Authority, be remitted by the Issuer to the Commission for deposit in the Sinking Funds and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the par value thereof plus 3% of such par value. Such payment of such proceeds into the Sinking Funds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2002A Bonds. All obligations issued by the Issuer after the issuance of the Series 2002A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2002A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2002A Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2002A Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority and the DEP prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or from any grants, or any other obligations related to the Project or the System.

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolutions shall be applicable. Additionally, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2002A Bonds pursuant to this Bond Legislation, except with the prior written consent of DEP and the Authority under the conditions and in the manner herein provided (unless less restrictive than the provisions of the Prior Resolutions).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2002A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the design, acquisition, or construction of extensions and improvements to the System or refunding any outstanding Bonds, or both such purposes.

So long as the Prior Bonds are Outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

(1) The Bonds then Outstanding, including, without limitation, the Prior Bonds;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

The following limitation may be waived or modified by the written consent of the Holders of the Prior Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Prior Bonds are no longer Outstanding, the following parity requirement shall be met:

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer and approved by the Public Service Commission of West Virginia, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the Series 2002A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2002A Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Bond Legislation with respect to the Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of designing the Project. The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the DEP such documents and information as it may reasonably require in connection with the design of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times.

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system that may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Series 2002A Bonds, and shall mail in each year to any Holder or Holders of the Series 2002A Bonds, requesting the same, an annual report containing the following:

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation, and the status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2002A Bonds, and shall submit said report to the Authority and the DEP, or any other original purchaser of the Series 2002A Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Bond Purchase Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

The Issuer shall permit the Authority and the DEP, or their agents and representatives, to enter and inspect the System and facilities at all reasonable times, and such access thereto, as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the DEP with respect to the System pursuant to the Act.

The Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in EXHIBIT E of the Bond Purchase Agreement or as promulgated from time to time.

Section 7.09. Rates. Prior to the issuance of the Series 2002A Bonds, equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at

least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2002A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2002A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2002A Bonds Reserve Account and any reserve accounts for obligations on a parity with the Series 2002A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2002A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2002A Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the DEP within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a professional engineer which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the DEP and to any Holder of any Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority and the DEP and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the design of the Project and for two years following the completion of design of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Bond Purchase Agreement as Exhibit B, and forward a copy of such report to the Authority and the DEP by the 10th day of each month.

Section 7.11. Engineering Services. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Bond Purchase Agreement, stating, among other things, that the Project will be designed as described in the application submitted to the Authority and the DEP.

The Issuer shall employ and retain qualified operating personnel properly certified by the State to operate the System so long as the Series 2002A Bonds are outstanding.

Section 7.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

Section 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be

revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKER'S COMPENSATION COVERAGE for all employees of or for the System eligible therefore.

(4) FLOOD INSURANCE, if the facilities of the System are or will be located in designated special flood or mudslide-prone areas and to the extent available at reasonable cost to the Issuer.

(5) BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

(6) FIDELITY BONDS will be provided as to every officer, member and employee of the Issuer or the Governing Body having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

Section 7.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Division of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Division of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 7.17. Completion of Design; Permits and Orders. The Issuer will cause the Project to be designed as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by state and federal laws for the operation of the System, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the design of the Project and the operation of the System and all approvals for issuance of the Series 2002A Bonds required by state law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. [RESERVED]

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2002A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2002A Bonds, and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.20. Compliance with Bond Purchase Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms, conditions and requirements of the Bond Purchase Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with copies of all documents submitted to the Authority.

The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the DEP or other state, federal or local bodies in regard to the design of the Project and the operation, maintenance and use of the System.

Section 7.21. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

ARTICLE VIII

INVESTMENT OF FUNDS

Section 8.01. Investments. Any moneys held as a part of the funds and accounts created by this Bond Legislation other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 8.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments

permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2002A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2002A Bonds as a condition to issuance of the Series 2002A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2002A Bonds as may be necessary in order to maintain the status of the Series 2002A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2002A Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority, DEP or the Council, as the case may be, from which the proceeds of the Series 2002A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority, DEP or the Council, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall annually furnish to the Authority, information with respect to the Issuer's use of the proceeds of the Series 2002A Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2002A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2002A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2002A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2002A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

(3) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or

(4) If default occurs with respect to the Prior Bonds or the Prior Resolutions.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2002A Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the 0payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates,

rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

The receiver so appointed shall forthwith, directly or by his or her or its agents and attorneys, enter into and upon and take possession of all facilities of said System and shall hold, operate and maintain, manage and control such facilities, and each and every part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might exercise.

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good. possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Holders of the Series 2002A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2002A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2002A Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2002A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2002A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2002A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2002A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2002A Bonds or the rate of interest, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein respectively pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2002A Bonds, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 2002A Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2002A Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of

competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 2002A Bonds.

Section 11.04. Headings, Etc. The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 11.05. Conflicting Provisions Repealed; Prior Resolutions. All orders or resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Resolution and the Prior Resolutions, the Prior Resolutions shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and at the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.07. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 8th day of May, 2002.

Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of BRADLEY PUBLIC SERVICE DISTRICT on the 8th day of May, 2002.

Dated: May 8, 2002.

[SEAL]

Dorothy J. Redden
Secretary

EXHIBIT A

Bond Purchase Agreement included in bond transcript at Tab 3.

BRADLEY PUBLIC SERVICE DISTRICT
SEWERAGE SYSTEM DESIGN NOTES, SERIES 2002B
(WEST VIRGINIA INFRASTRUCTURE FUND)

NOTES RESOLUTION

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BRADLEY PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE DESIGN OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWER FACILITIES OF BRADLEY PUBLIC SERVICE DISTRICT AND THE RETAINING OF ENGINEERING SERVICES FOR SUCH DESIGN AND THE TEMPORARY FINANCING OF THE COSTS, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $200,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWERAGE SYSTEM DESIGN NOTES, SERIES 2002B (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH NOTES; APPROVING A LOAN AGREEMENT RELATING TO SUCH NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTES; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF BRADLEY PUBLIC SERVICE DISTRICT:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS

Section 1.01 Definitions. The following terms shall have the following meanings in this Resolution unless the context expressly requires otherwise.

"Act" means, collectively, Chapter 16, Article 13A and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended and in effect on the date of adoption of this Resolution.

"Administrative Fee" means any administrative fee required to be paid under the Loan Agreement.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Notes, or any other agency, board or department of the State that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the Council under the Act.

"Authorized Officer" means the Chairperson of the Governing Body of the Issuer or any other officer or person of the Issuer specifically designated by resolution of the Governing Body of the Issuer.

"Board" or "Governing Body" means the public service board of the Issuer or any successor thereto.

"Bonds" shall have the meaning described in Section 1.03E hereof.

"Chairperson" means the Chairperson of the Governing Body of the Issuer.

"Commission" means the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia that succeeds to the functions of the Commission.

"Consulting Engineers" means Ghosh Engineers, Inc., Charleston, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time now or hereafter be procured by the Issuer as Consulting Engineers for the System, or portion thereof, in accordance with Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended.

"Contract" means the contract for preconstruction engineering services for the Project by and between the Issuer and the Consulting Engineers.

"Council" means the West Virginia Infrastructure and Jobs Development Council or any successor thereto.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns, which shall be a member of FDIC.

"FDIC" means the Federal Deposit Insurance Corporation or any successor to the functions of the FDIC.

"Fiscal Year" means each 12-month period beginning on July 1 and ending on the succeeding June 30.

"Governmental Obligations" means direct obligations or, of obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided that, "Gross Revenues" shall not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined).

"Independent Certified Public Accountants" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System, or for any other purpose except keeping the accounts of such System in the normal operation of its business and affairs.

"Issuer" means Bradley Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia, in Raleigh County, West Virginia and, unless the context clearly indicates otherwise, includes the Board and any successor thereto.

"Loan Agreement" means the Loan Agreement heretofore entered into, or to be entered into, between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Notes from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Net Revenues" means the balance of the Gross Revenues, remaining after deduction of Operating Expenses, as hereinafter defined.

"Noteholder" or "Holder of the Notes" or "Holder" or "Registered Owner" or any similar term means any person who shall be the registered owner of any Outstanding Note or Notes.

"Notes" means the Sewerage System Design Notes, Series 2002B (West Virginia Infrastructure Fund), originally authorized hereby.

"Notes Legislation" or "Resolution" means this Notes Resolution and all orders and resolutions supplemental hereto or amendatory hereof.

"Notes Project Fund" means the Notes Project Fund established by Section 4.01 hereof.

"Notes Payment Fund" means the Notes Payment Fund established by Section 4.02 hereof.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the costs, fees and expenses of the Authority, fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as herein defined), other than those capitalized as part of the costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest, if any, on the Notes, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding," when used with reference to Notes and as of any particular date, describes all Notes theretofore and thereupon being authenticated and delivered, except (a) any Note for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Resolution and set aside for such payment (whether upon or prior to maturity); and (b) any Note deemed to have been paid as provided in Article VI hereof.

"Paying Agent" means the Commission or other entity to be designated as such in the Supplemental Resolution and its successors and assigns.

"Project" means the Project described in Section 1.03A hereof.

"Qualified Investments" means and includes any of the following:

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System: Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

(f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended; and

(i) Obligations of states or political subdivisions or agencies thereof, the interest on which is exempt from federal income taxation, and which are rated at least "A" by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

"Registrar" means the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns.

"Secretary" means the Secretary of the Issuer.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution of the Issuer amending or supplementing this Resolution and, when preceded by the article "the," refers specifically to the Supplemental Resolution authorizing the sale of the Notes, provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Notes, and not so included, may be included, in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues, if any, not required by any prior bond or notes resolution to be set aside and held for the payment of or security for any outstanding bonds or notes of the Issuer, including any sinking funds, reserve accounts and renewal and replacement funds.

"System" means the complete public service properties of the Issuer for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, improvements and extensions thereto hereafter constructed or acquired for the System from any sources whatsoever.

"West Virginia Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Chapter 31, Article 15A, Section 9 of the Code of West Virginia, 1931, as amended and in effect on the date of adoption hereof.

Additional terms and phrases are defined in this Resolution as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

Words importing singular number include the plural number in each case and vice versa; words importing the masculine gender include every other gender; and words importing persons include firms, partnerships, associations and corporations.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Resolution; and the term "hereafter" means after the date of adoption of this Resolution.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Resolution so numbered.

Section 1.02. Authority for this Resolution. This Resolution, together with any resolution supplemental hereto or amendatory hereof, is adopted pursuant to the provisions of the Act and other applicable provisions of the law.

Section 1.03. Findings. It is hereby found, determined and declared as follows:

A. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be designed certain improvements and extensions to the existing public sewer facilities of the Issuer, consisting of a sanitary sewer wastewater collection system, together with all appurtenant facilities (the "Project"). The existing public sewer facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System".

B. In order to design the Project, the Issuer has entered into the Contract with the Consulting Engineers for preconstruction engineering services for a total fee of not to exceed $506,000.

C. It is deemed necessary for the Issuer to issue its Notes, in an aggregate principal amount of not more than $200,000, to temporarily finance a portion of the costs of design of the Project and the costs of issuance of the Notes and related costs.

D. It is in the best interests of the Issuer that its Notes be sold to the Authority pursuant to the terms and provisions of the Loan Agreement.

E. There are outstanding obligations of the Issuer which will rank senior and prior to the Notes as to liens, pledge and source of and security for payment, being the Sewer Revenue Bond, Series 1979, dated December 17, 1979, issued in the original principal amount of $1,522,000 (the "Series 1979 Bonds"), the Sewer System Revenue Bonds, Series 1995 A, 1995 B and 1995 C, dated March 16, 1995, issued in the original principal amounts of $2,000,000, $1,676,000 and $250,000, respectively (the "Series 1995 Bonds") and the Sewer Revenue Bonds, Series 2002A (State Revolving Fund), issued concurrently herewith in the original principal amount of $293,000 (the "Series 2002A Bonds") (collectively, the "Bonds"). The Notes shall be issued junior and subordinate to the Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Notes shall be payable only from and secured by a first lien on (1) the proceeds of any grants (other than grants from the West Virginia Infrastructure Fund) received by the Issuer for the System; (2) the proceeds of any revenue bonds, refunding bonds or other obligations of the Issuer, issued subsequent to the issuance of the Notes; and (3) Surplus Revenues, if any. The Issuer has no obligations outstanding which are payable from any source from which the Notes are payable.

In the event no grants (other than grants from the West Virginia Infrastructure Fund) are received by the Issuer for the System or no revenue bonds, refunding bonds or other obligations of the

Issuer are issued by the maturity date of the Notes or no Surplus Revenues are available to amortize the Notes over a 20-year period, the payment of the Notes shall be deferred until the earlier of (i) the date any grants (other than grants from the West Virginia Infrastructure Fund) are received for the System, (ii) the date any revenue bonds, refunding bonds or other obligations of the Issuer are issued, or (iii) 20 years from the date of issuance of the Notes. In the event any grants (other than grants from the West Virginia Infrastructure Fund) are received for the System or any revenue bonds, refunding bonds or other obligations of the Issuer are issued, the Issuer shall pay the entire outstanding principal of, accrued interest, if any, and the Administrative Fee on the Notes from the proceeds thereof. In the event the Issuer receives a grant (other than a grant from the West Virginia Infrastructure Fund) or other non-loan funding assistance for the acquisition and construction of a project to serve the area described in the application to the Council, which grant or other non-loan funding assistance may not be used to pay the Notes, then the Notes shall be repaid from the Net Revenues generated from the project constructed from such grant or other non-loan funding assistance (or from bond proceeds secured by such Net Revenues) and such repayment shall be amortized for a period not to exceed 20 years, provided that, the holders of any outstanding bonds secured by Net Revenues of the System shall consent to the payment of the Notes from Net Revenues generated from such project. In the event no grants (other than grants from the West Virginia Infrastructure Fund) are received for the System or no revenue bonds, refunding bonds or other obligations of the Issuer are issued or no project has been acquired or constructed by the Issuer within 20 years from the date of issuance of the Notes, the Council shall authorize the Authority to convert the Notes to a grant and cancel the Notes.

F. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to the authorization of the design of the Project, the Contract and the issuance of the Notes, or will have so complied prior to issuance of the Notes, including the obtaining of approval of the design of the Project, the Contract and the issuance of the Notes from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Notes or such final order will not be subject to appeal or rehearing.

G. Pursuant to the Act, the design of the Project has been approved by the Council and the Council has authorized the Authority to make a loan to the Issuer from the West Virginia Infrastructure Fund.

Section 1.04. Notes Legislation Constitutes Contract. In consideration of the acceptance of the Notes by those who shall be Registered Owners of the same from time to time, this Notes Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owners of the Notes.

ARTICLE II

AUTHORIZATION OF THE DESIGN OF THE PROJECT AND APPROVAL OF THE LOAN AGREEMENT

Section 2.01. Authorization of the Design of the Project. There is hereby authorized and ordered the design of the Project, at an estimated cost of not to exceed $516,000; costs of the Project will be paid as follows: $200,000 will be paid from proceeds of the Notes, $23,000 will be paid by the Issuer and $293,000 will be paid from the proceeds of the Series 2002A Bond. The Issuer is hereby authorized and directed to enter into the Contract with the Consulting Engineer, in an amount and otherwise compatible with the financing plan submitted to the Council.

Section 2.02. Approval of Loan Agreement. The Issuer hereby approves the Loan Agreement and the sale of the Notes pursuant to the Loan Agreement. The Issuer is hereby authorized and directed to execute and deliver the Loan Agreement to the Authority. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement.

ARTICLE III

THE NOTES

Section 3.01. Authorization of the Notes. For the purposes of temporarily financing a portion of the costs of design of the Project and paying the costs of issuance of the Notes and related costs, there shall be and hereby are authorized to be issued the Sewerage System Design Notes, Series 2002B (West Virginia Infrastructure Fund), of the Issuer, in an aggregate principal amount of not more than $200,000.

Section 3.02. Terms of Notes. The Notes shall be issued in fully registered form and shall be initially issued as one Note, numbered R-1, in the principal amount of not to exceed $200,000. The Notes shall be dated such date, shall bear interest, if any, at such rate or rates, not exceeding the then legally permissible limit on such date or dates; shall be subject to an Administrative Fee as set forth in the Loan Agreement; shall mature on such date or dates and in such amounts; and shall be subject to such repayment or redemption; all as provided in the Supplemental Resolution or in the Notes.

The aggregate principal amount of the Notes need not be paid to the Issuer upon delivery of the Notes but may be advanced to the Issuer as requested by the Issuer from time to time; and the Notes shall evidence only the indebtedness recorded on the Record of Advances attached thereto and incorporated therein. Interest, if any, shall accrue on the Notes only on the amount of each advance from the actual date thereof as listed on said Record of Advances.

The Notes shall be payable as to principal and interest, if any, at the principal office of the Paying Agent in any coin or currency which, on the dates of payment, is legal tender for the payment of public and private debts under the laws of the United States of America.

Section 3.03. Execution and Authentication of Notes. The Notes shall be executed in the name of the Issuer by the manual signature of its Chairperson, and the seal of the Issuer shall be affixed thereto and attested by the manual signature of the Secretary of the Issuer. In case any one or more of the officers who shall have signed or sealed any of the Notes shall cease to be such officer of the Issuer before the Notes so signed and sealed shall have been actually sold or delivered, such Notes may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Notes had not ceased to hold such office. Any Notes may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Notes shall hold the proper office of the Issuer, although at the date of such Notes such person may not have held such office or may not have been so authorized.

No Note shall be valid or entitled to any security or benefit under this Resolution unless and until the certificate of authentication and registration on such Note shall have been duly manually executed by the Registrar, and such executed certificate of the Registrar upon any such Note shall be conclusive evidence that such Note has been authenticated, registered and delivered under this Notes Legislation. The certificate of authentication and registration shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the certificate of authentication and registration on all of the Notes issued hereunder.

Section 3.04. Negotiability, Transfer and Registration. Subject to the restrictions on transfer set forth below, the Notes shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder, in accepting any of said Notes, shall be conclusively deemed to have agreed that said Notes shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Notes shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Notes remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Notes. The Notes shall be transferrable only upon the books of the Registrar which shall be kept for that purpose at the office of the Registrar by request of the registered owner thereof in person or by his attorney duly authorized in writing, and upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of a Note, there shall be issued to the transferee another fully registered Note or Notes of the aggregate principal amount equal to the unpaid amount of the transferred Note.

In all cases in which the privilege of transferring Notes is exercised, Notes shall be delivered in accordance with the provisions of this Resolution. All Notes surrendered in any such transfers shall forthwith be canceled by the Registrar. For every such transfer of Notes, the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer and the cost of preparing each new Note upon each transfer, and any other expenses of the Registrar incurred in connection therewith, which sum or sums shall be paid by the person requesting such transfer (except for the Authority) as a condition precedent to the

exercise of the privilege of making such transfer. The Registrar shall not be obliged to make any such transfer of Notes during the 15 days preceding an interest payment date on the Notes or after notice of any prepayment of the Notes has been given.

Section 3.05. Notes Mutilated, Destroyed, Stolen or Lost. In case any Note shall become mutilated or be destroyed, stolen or lost, the Issuer, may in its discretion, issue and deliver a new Note in exchange and substitution for such mutilated Note upon surrender and cancellation of such mutilated Notes or in lieu of and substitution for the Note destroyed, stolen or lost and upon the Holder's furnishing the Issuer proof of ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Council may prescribe and paying such expenses as the Issuer may incur. All Notes so surrendered shall be submitted to and canceled by the Registrar and held for the account of the Issuer. If such Note shall have matured or be about to mature, instead of issuing a substitute Note, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Note be lost, stolen or destroyed, without surrender thereof.

Section 3.06. Form of Notes. The text of the Notes shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution or any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF NOTE)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BRADLEY PUBLIC SERVICE DISTRICT
SEWERAGE SYSTEM DESIGN NOTE, SERIES 2002B
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. BR-1 $200,000.00

KNOW ALL MEN BY THESE PRESENTS: That BRADLEY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Raleigh County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns, on the ___ day of _____, 20___, the principal sum of TWO HUNDRED THOUSAND DOLLARS ($200,000.00), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the Record of Advances attached hereto and incorporated herein by reference as a part hereof. The Administrative Fee (as defined in the hereinafter described Notes Legislation) shall be payable in the amounts and on the dates as set forth in the Loan Agreement (as hereinafter defined). This Note shall bear no interest.

The principal of this Note and the Administrative Fee are payable in any coin or currency which on the date of payment thereof is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Note may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement dated _____, 200__, by and between the Issuer and the Authority, on behalf of the Council.

This Note is issued (i) to temporarily finance a portion of the costs of design of certain improvements and extensions to the existing public sewer facilities of the Issuer (the "Project"), and (ii) to pay the costs of issuance of this Note and related costs. The existing public sewer facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System". This Note is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"), a Notes Resolution duly adopted by the Issuer on May 8, 2002, and a Supplemental Resolution duly adopted by the Issuer on _____, 2002 (collectively, the "Notes Legislation"), and is subject to all the terms and conditions thereof.

THIS NOTE IS ISSUED JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (1) SEWER REVENUE BOND, SERIES 1979, (2) SEWER SYSTEM REVENUE BONDS, SERIES 1995 A, SERIES 1995 B AND SERIES 1995 C, AND (3) SEWER REVENUE BONDS, SERIES 2002A (STATE REVOLVING FUND), DESCRIBED IN RESOLUTIONS ADOPTED ON OCTOBER 16, 1978, MARCH 8, 1995, AND MAY 8, 2002, RESPECTIVELY, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNTS OF $1,522,000, $2,000,000, $1,676,000, $250,000, AND $293,000 RESPECTIVELY (COLLECTIVELY, THE "BONDS").

This Note is payable only from and secured by a first lien on (1) the proceeds of any grants (other than grants from the West Virginia Infrastructure Fund) received by the Issuer for the System; (2) the proceeds of any revenue bonds, refunding bonds or other obligations of the Issuer, issued subsequent to the issuance of this Note; and (3) Surplus Revenues (as defined in the Notes Legislation), if any. The moneys from these sources shall be deposited into the Notes Payment Fund established under the Notes Legislation for the prompt payment of this Note.

In the event no grants (other than grants from the West Virginia Infrastructure Fund) are received by the Issuer for the System or no revenue bonds, refunding bonds or other obligations of the Issuer are issued by the maturity date of the Notes or no Surplus Revenues are available to amortize the Notes over a 20-year period, the payment of the Notes shall be deferred until the earlier of (i) the date any grants (other than grants from the West Virginia Infrastructure Fund) are received for the System, (ii) the date any revenue bonds, refunding bonds or other obligations of the Issuer are issued, or (iii) 20 years from the date of issuance of the Notes. In the event any grants (other than grants from the West Virginia Infrastructure Fund) are received for the System or any revenue bonds, refunding bonds or other obligations of the Issuer are issued, the Issuer shall pay the entire outstanding principal of, accrued interest, if any, and the Administrative Fee on the Notes from the proceeds thereof. In the event the Issuer receives a grant (other than a grant from the West Virginia Infrastructure Fund) or other non-loan funding assistance for the acquisition and construction of a project to serve the area described in the application to the Council, which grant or other non-loan funding assistance may not be used to pay the Notes, then the Notes shall be repaid from the Net Revenues generated from the project constructed from such grant or other non-loan funding assistance (or from bond proceeds secured by such Net Revenues) and such repayment shall be amortized for a period not to exceed 20 years, provided that, the holders of any outstanding bonds secured by Net Revenues of the System shall consent to the payment of the Notes from Net Revenues generated from such project. In the event no grants (other than grants from the West Virginia Infrastructure Fund) are received for the System or no revenue bonds, refunding bonds or other obligations of the Issuer are issued or no project has been acquired or constructed by the Issuer within 20 years from the date of issuance of the Notes, the Council shall authorize the Authority to convert the Notes to a grant and cancel the Notes.

This Note does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from the sources set forth above. Under the Notes Legislation, the Issuer has entered into certain covenants with the Authority, for the terms of which reference is made to the Notes Legislation. Remedies provided the Authority are exclusively as provided in the Notes Legislation, to which reference is here made for a detailed description thereof.

Subject to the requirements for transfer set forth herein, this Note is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia. This Note is transferable, as provided in the Notes Legislation, only by transfer of registration upon the books of the Registrar (as defined in the Notes Legislation), to be made at the request of the registered owner hereof in person or by his attorney, duly authorized in writing, and upon surrender hereof, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his duly authorized attorney.

All moneys received from the sale of this Note shall be applied solely to the payment of the costs of design of the Project and the costs of issuance and related costs described in the Notes Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Note.

Under the Act, this Note is exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by law, and that the Notes, together with all other obligations of the Issuer, do not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia.

All provisions of the Notes Legislation and the statutes under which this Note is issued shall be deemed to be part of the contract evidenced by this Note to the same extent as if written fully herein.

This Note shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

IN WITNESS WHEREOF, BRADLEY PUBLIC SERVICE DISTRICT has caused this Note to be signed by its Chairperson and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Note to be dated _____, 2002.

[SEAL]

_____
Chairman

Attest:

Dorothy J Reed
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Note is one of the Notes described in and issued under the provisions of the within-mentioned Notes Legislation and has been duly registered in the name of the registered owner set forth above.

Date: _____, 2002.

THE CITY NATIONAL BANK OF WEST VIRGINIA,
as Registrar

By: _____

Its: _____

(Form of)

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$		(7)	$	
(2)	$		(8)	$	
(3)	$		(9)	$	
(4)	$		(10)	$	
(5)	$		(11)	$	
(6)	$		(12)	$	

TOTAL $

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the within-mentioned Note and does hereby irrevocably constitute and appoint _____, attorney, to transfer said Note on the books of the Registrar on behalf of said Issuer with full power of substitution in the premises.

Dated: _____

_____

IN THE PRESENCE OF:

_____

Section 3.07. Sale of Notes. The Notes shall be sold to the Authority pursuant to the terms and conditions of the Loan Agreement.

Section 3.08. Advances of Principal of Notes. The Issuer shall request the Council for the proceeds of the Notes as needed to pay the costs of design of the Project and the costs of issuance of the Notes and related costs, and such proceeds shall be paid to the Issuer or its designated payee only upon resolution of the Governing Body and only to pay the costs authorized by this Notes Legislation. After payment of all such costs, any remaining Notes proceeds which have been advanced to the Issuer shall be transferred to the Notes Payment Fund and applied to the payment of the Notes, or if no Notes are then Outstanding, may be used by the Issuer for costs of the Project. Upon completion of the design of the Project, the Issuer will file with the Authority and the Council, a schedule, the form of which will be provided by the Council, setting forth the actual costs of the design of the Project and sources of funds therefor.

Section 3.09. Pledge of Security for the Notes. The Notes shall be payable only from and secured by a first lien on (1) the proceeds of any grants (other than grants from the West Virginia Infrastructure Fund) received by the Issuer for the System; (2) the proceeds of any revenue bonds, refunding bonds or other obligations of the Issuer, issued subsequent to the issuance of the Notes: and (3) Surplus Revenues, if any, all of which are hereby pledged for such payment. In the event no grants (other than grants from the West Virginia Infrastructure Fund) are received by the Issuer for the System or no revenue bonds, refunding bonds or other obligations of the Issuer are issued by the maturity date of the Notes or no Surplus Revenues are available to amortize the Notes over a 20-year period, the payment of the Notes shall be deferred until the earlier of (i) the date any grants (other than grants from the West Virginia Infrastructure Fund) are received for the System, (ii) the date any revenue bonds, refunding bonds or other obligations of the Issuer are issued, or (iii) 20 years from the date of issuance of the Notes. In the event any grants (other than grants from the West Virginia Infrastructure Fund) are received for the System or any revenue bonds, refunding bonds or other obligations of the Issuer are issued, the Issuer shall pay the entire outstanding principal of, accrued interest, if any, and Administrative Fee on the Notes from the proceeds thereof. In the event the Issuer receives a grant (other than a grant from the West Virginia Infrastructure Fund) or other non-loan funding assistance for the acquisition and construction of a project to serve the area described in the application to the Council, which grant or other non-loan funding assistance may not be used to pay the Notes, then the Notes shall be repaid from the Net Revenues generated from the project constructed from such grant or other non-loan funding assistance (or from bond proceeds secured by such Net Revenues) and such repayment shall be amortized for a period not to exceed 20 years, provided that, the holders of any outstanding bonds secured by Net Revenues of the System shall consent to the payment of the Notes from Net Revenues generated from such project. In the event no grants (other than grants from the West Virginia Infrastructure Fund) are received for the System or no revenue bonds, refunding bonds or other obligations of the Issuer are issued or no project has been acquired or constructed by the Issuer within 20 years from the date of issuance of the Notes, the Council shall authorize the Authority to convert the Notes to a grant and cancel the Notes.

Section 3.10. Payment of Notes Prior to Sale of System. So long as the Notes are outstanding, neither the System, nor any part thereof, shall be sold, transferred or otherwise conveyed,

be subject to an operation and maintenance agreement or similar contract, unless the entire outstanding principal of, accrued interest, if any, and the Administrative Fee on the Notes have been paid in full prior to such sale, transfer or other conveyance, or execution of any such operation and maintenance agreement or similar contract.

Section 3.11. Notes Not to be Indebtedness of Issuer. The Notes shall be special obligations of the Issuer, payable solely from the sources described above. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power of the Issuer, if any, is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as pledged therefor by this Resolution.

Section 3.12. Refunding of Notes. In the event proceeds of the grants (other than grants from the West Virginia Infrastructure Fund) for the System, proceeds of revenue bonds, refunding bonds or other obligations of the Issuer, issued subsequent to the issuance of the Notes, and/or Surplus Revenues, are not sufficient or available on a timely basis to pay the Notes in full by the maturity date of the Notes, the Issuer covenants and agrees to issue and sell its refunding notes or bonds in an amount sufficient to pay the entire outstanding principal of, accrued interest, if any, and the Administrative Fee on the Notes.

Section 3.13. Prohibition of Other Loans. So long as the Notes are outstanding, no bonds, notes or other evidences of indebtedness shall be issued by the Issuer without the prior written consent of the Authority and the Council; provided however, that the Issuer may issue refunding notes or bonds to pay the entire outstanding principal of, accrued interest, if any, and the Administrative Fee on the Notes in full.

Section 3.14. Covenants with Holders of Notes. In order to secure the payment of the Notes, the Issuer hereby covenants and agrees with the Holders of the Notes, as follows:

(A) The Issuer will promptly seek permanent financing for the acquisition and construction of the Project and will do all things necessary to effectuate such financing and apply the proceeds from such financing to pay the entire outstanding principal of, accrued interest, if any, and the Administrative Fee on the Notes, in full as soon as such permanent financing is secured.

(B) The Issuer will not make or cause or permit to be made any application of the proceeds of the Notes except in accordance with the provisions of Section 4.01 hereof, or of any moneys held in the Notes Payment Fund except in accordance with the provisions of Section 4.02 hereof.

(C) The Issuer will comply in all respects with the terms and provisions of any grant agreements applicable to the System and with all applicable State and federal laws and regulations governing the implementation of such grant agreements.

(D) The Issuer will, in the event proceeds of the grants for the System and/or proceeds of revenue bonds, refunding bonds or other obligations of the Issuer, issued subsequent to the issuance of the Notes, are not sufficient or available to pay the Notes in full by the maturity date of the Notes, issue and sell its refunding notes or bonds and apply the proceeds of its refunding notes or bonds to the payment of the Notes in accordance with the provisions of Section 3.12 hereof.

(E) The Issuer will comply with all the terms and conditions of the Loan Agreement.

Section 3.15. Required Notices to Holders of Notes. The Issuer will provide the Authority and the Council, prompt written notice, appropriately documented, of any of the following events:

(A) If the Issuer is unable or unsuccessful in obtaining permanent financing for the acquisition and construction of the Project;

(B) Any suspension, termination or modification of any grant;

(C) The authorization by the Issuer of any additional indebtedness related to the System: and

(D) Any activity that would stop the work schedule of the Contract.

ARTICLE IV

FUNDS AND ACCOUNTS; APPLICATION OF NOTES PROCEEDS

Section 4.01. Establishment of Notes Project Fund; Application of Notes Proceeds. There is hereby created and established with the Depository Bank, to be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from all other funds or accounts of the Issuer, the Notes Project Fund. The moneys derived from the sale of the Notes shall be deposited with the Depository Bank in the Notes Project Fund and applied solely to the payment of the costs of the design of the Project and the costs of issuance and related costs, and until so expended, are hereby pledged as additional security for the Notes.

Section 4.02. Establishment of Notes Payment Fund. There is hereby created and established with the Commission, to be held by the Commission separate and apart from all other funds or accounts of the Commission and from all other funds or accounts of the Issuer, the Notes Payment Fund. Upon receipt of proceeds of any grant for the System, an amount of the proceeds of such grant sufficient to pay the entire outstanding principal of, interest, if any, accrued on the Notes and the Administrative Fee in full shall be deposited in the Notes Payment Fund. In the event

proceeds of such grant are not sufficient to pay the Notes in full, then all proceeds of such grant shall be deposited in the Notes Payment Fund to pay a portion of the Notes. Upon the issuance of the revenue bonds, refunding bonds or other obligations of the Issuer, an amount of the proceeds of such revenue bonds, refunding bonds or other obligations of the Issuer sufficient to pay the entire outstanding principal of, interest, if any, accrued on the Notes and the Administrative Fee in full shall be deposited in the Notes Payment Fund. All moneys deposited in the Notes Payment Fund shall be immediately paid by the Commission to the Authority in full payment of the entire outstanding principal of, interest, if any, accrued on the Notes and the Administrative Fee and then shall be paid by the Commission to the Paying Agent for charges, if any, for services rendered. Until payment in full of the entire outstanding principal of, interest, if any, accrued on the Notes and the Administrative Fee, all moneys deposited in the Notes Payment Fund shall be held in trust for the Authority, and the Issuer shall have no rights with respect thereto except to receive the balance therein after payment of the Notes in full and the charges, if any, of the Paying Agent.

Any moneys remaining in the Notes Payment Fund, after the payment of the Notes in full and all charges of the Paying Agent, shall be returned to the Issuer to be used for any lawful purpose of the System.

Section 4.03. Investment of Funds. Pending application as provided above, any moneys held in the Notes Project Fund and the Notes Payment Fund shall be invested and reinvested by the Depository Bank and the Commission at the direction of the Issuer to the fullest extent possible under applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof.

The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Notes as a condition to issuance of the Notes. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Notes as may be necessary in order to maintain the status of the Notes as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Notes which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the Council, as the case may be, from which the proceeds of the Notes are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the Council, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

ARTICLE V

DEFAULT AND REMEDIES

Section 5.01. Events of Default. Each of the following events shall constitute and "Event of Default" with respect to the Notes:

(A) If default occurs in the due and punctual payment of the principal of or interest, if any, and the Administrative Fee on any Note;

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Notes in this Resolution, any Supplemental Resolution, or in the Notes, as the case may be, contained, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, any other bank or banking association holding any fund or account hereunder or a Holder of the Notes;

(C) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or

(D) If default occurs with respect to the Bonds or the resolutions authorizing the Bonds.

Section 5.02. Remedies. Upon the happening and continuance of any Event of Default, any Holder of a Note may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of the Holders of the Notes including the right to require the Issuer to perform its duties under the Act and the Notes Legislation relating thereto, (iii) bring suit upon the Notes, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Holders of the Notes, and (v) by action or bill in equity enjoin any acts in violation of the Notes Legislation with respect to the Notes, or the rights of the Holders of the Notes; provided that, all rights and remedies of the Holders of the Notes shall be junior and subordinate to the Holders of the Bonds.

ARTICLE VI

[RESERVED]

ARTICLE VII

MISCELLANEOUS

Section 7.01. Amendment or Modification of Resolution. Prior to issuance of the Notes, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Notes, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Noteholders shall be made without the consent in writing of the Holders of the Notes then Outstanding; provided, that no change shall be made in the maturity of any Note or Notes or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise

of the Issuer to pay such principal and interest, if any, out of the funds herein pledged therefor without the consent of the Holder thereof.

Section 7.02. Resolution Constitutes Contract. The provisions of the Resolution shall constitute a contract between the Issuer and the Holder of the Notes, and no change, variation or alteration of any kind of the provisions of the Resolution shall be made in any manner, except as in this Resolution provided.

Section 7.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution or the Notes.

Section 7.04. Headings, Etc. The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 7.05. Conflicting Provisions Repealed. All resolutions, indentures or orders, or parts thereof, in conflict with the provision of this Resolution are, to the extent of such conflict, hereby repealed.

Section 7.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption and passage of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairperson, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 7.07. Effective Date. This Resolution shall take effect immediately upon adoption thereof.

Adopted this 8th day of May, 2002.

D B Stevenson, Jr.
Chairman

Dorothy J. Redden
Member

Raymond Sweeney
Member

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of BRADLEY PUBLIC SERVICE DISTRICT on the 8th day of May, 2002.

Dated: May 8, 2002.

[SEAL]

Dorothy J. Redden
Secretary

$293,000
BRADLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2002A
(STATE REVOLVING FUND)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE BRADLEY PUBLIC SERVICE DISTRICT SEWER REVENUE BOND, SERIES 2002A (STATE REVOLVING FUND); AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BOND TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; MAKING PROVISIONS FOR THE PAYMENT OF THE BOND; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BOND.

WHEREAS, the Public Service Board (the "Board") of the Bradley Public Service District (the "District") has duly and officially adopted a Bond Resolution on May 8, 2002 (the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE DESIGN OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF BRADLEY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $293,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2002A (STATE REVOLVING FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Resolution provides for the issuance of the Bradley Public Service District, Sewer Revenue Bond, Series 2002A (State Revolving Fund) (the "Bond"), in the aggregate principal amount of $293,000, and has authorized the execution and delivery of a

Bond Purchase Agreement by and among the District, the West Virginia Water Development (the "Authority"), and the West Virginia Department of Environmental Protection ("DEP") relating to the Bond (the "Bond Purchase Agreement"), including all schedules and exhibits attached thereto, all in accordance with Chapter 16, Article 13A and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act");

WHEREAS, the Resolution provided that the exact principal amount, date, maturity date, interest rate, interest and principal payment dates, sale price and other terms of the Bond should be established by a supplemental resolution pertaining to the Bond; and other matters relating to the Bond be herein provided for;

WHEREAS, the Bond Purchase Agreement has been presented to the District at this meeting;

WHEREAS, the Bond is proposed to be purchased by the Authority pursuant to the Bond Purchase Agreement;

WHEREAS, the Board deems it essential and desirable that this Supplemental Resolution (the "Supplemental Resolution") be adopted, that the Bond Purchase Agreement be approved and ratified by the District, and that the exact principal amount, the date, the maturity date, the interest rate, the interest and principal payment dates, the sales price and other terms of the Bond be fixed hereby in the manner stated herein, and that other matters relating to the Bond be herein provided for; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF THE BRADLEY PUBLIC SERVICE DISTRICT AS FOLLOWS:

Section 1. Pursuant to the Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Bradley Public Service District, Sewer Revenue Bond, Series 2002A (State Revolving Fund), originally represented by one bond, numbered AR-1, in the principal amount of $293,000. The Bond shall be dated the date of delivery thereof, shall finally mature March 1, 2033, and shall bear no interest. The principal on the Bond is payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2003, in the amounts as set forth in the Schedule Y attached to the Bond Purchase Agreement and incorporated in and made a part of the Bond. The Bond shall be subject to redemption upon the written consent of the DEP and the Authority, upon payment of the redemption premium, if any, and upon continued compliance with the Bond Purchase Agreement, so long as the Authority shall be the registered owner of the Bond. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 0.5% of the principal amount of the Bond set forth in Schedule Y attached to the Bond Purchase Agreement.

Section 2. All other provisions relating to the Bond and the text of the Bond shall be in substantially the form provided in the Resolution.

Section 3. The District does hereby authorize, approve and ratify the Bond Purchase Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Bond Purchase Agreement by the Chairman, and the performance of the obligations contained therein on behalf of the District are hereby authorized, directed, ratified and approved. The District hereby affirms all covenants and representations made in the Bond Purchase Agreement and in the Application to the DEP and the Authority. The price of the Bond shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds will be advanced from time to time as requisitioned by the District.

Section 4. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission to serve as Paying Agent for the Bonds, and The City National Bank of West Virginia to serve as Registrar and Depository Bank.

Section 5. The proceeds of the Bond, as advanced from time to time, shall be deposited in or credited to the Series 2002 A Bond Project Fund, as received from time to time for payment of Costs of the Project, including costs of issuance of the Bond. The Issuer hereby approves the use of its own funds in the amount of $23,000 for the Project.

Section 6. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bond hereby and by the Resolution approved and provided for, to the end that the Bond may be delivered on or about June 25, 2002, to the Authority pursuant to the Bond Purchase Agreement.

Section 7. The financing of the Project in part with proceeds of the Bond is in the public interest, serves a public purpose of the District and will promote the health, welfare and safety of the residents of the District.

Section 8. The District hereby determines to invest all moneys in the funds and accounts established by the Resolution held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the District hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such money market accounts until further directed in writing by the District. Moneys in the Series 2002 Bond Sinking Fund and the Series 2002 Bond Reserve Account shall be invested by the Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 9. The District hereby approves and accepts all contracts relating to the financing and design of the Project. The District hereby approves the costs of issuance and authorizes the payment of the same.

Section 10. This Supplemental Resolution shall be effective immediately following adoption hereof.

Dated: June 12, 2002

BRADLEY PUBLIC SERVICE DISTRICT

[SEAL]

By: _____
Chairman, Public Service Board

_____
Secretary, Public Service Board

CERTIFICATION

Certified as a true copy of the Supplemental Resolution adopted by the Public Service Board of the Bradley Public Service District on June 12, 2002.

Dated: June 25, 2002.

_____
Secretary, Public Service Board

[SEAL]

$200,000
BRADLEY PUBLIC SERVICE DISTRICT
SEWERAGE SYSTEM DESIGN NOTE, SERIES 2002B
(WEST VIRGINIA INFRASTRUCTURE FUND)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE BRADLEY PUBLIC SERVICE DISTRICT SEWERAGE SYSTEM DESIGN NOTE, SERIES 2002B (WEST VIRGINIA INFRASTRUCTURE FUND); AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH NOTE TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; MAKING PROVISIONS FOR THE PAYMENT OF THE NOTE; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE NOTE.

WHEREAS, the Public Service Board (the "Board") of the Bradley Public Service District (the "District") has duly and officially adopted a Note Resolution on May 8, 2002 (the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE DESIGN OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWER FACILITIES OF BRADLEY PUBLIC SERVICE DISTRICT AND THE RETAINING OF ENGINEERING SERVICES FOR SUCH DESIGN AND THE TEMPORARY FINANCING OF THE COSTS, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $200,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWERAGE SYSTEM DESIGN NOTES, SERIES 2002B (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH NOTES; APPROVING A LOAN AGREEMENT RELATING TO SUCH NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTES; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Resolution provides for the issuance of the Bradley Public Service District, Sewerage System Design Note, Series 2002B (West Virginia Infrastructure Fund) (the "Note"), in the aggregate principal amount of $200,000, and has authorized the

execution and delivery of a Loan Agreement by and between the District and the West Virginia Water Development (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), relating to the Note (the "Loan Agreement"), including all schedules and exhibits attached thereto, all in accordance with Chapter 16, Article 13A and Chapter 31A, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act");

WHEREAS, the Resolution provided that the exact principal amount, date, maturity date, principal payment dates, sale price and other terms of the Note should be established by a supplemental resolution pertaining to the Note; and other matters relating to the Note be herein provided for;

WHEREAS, the Loan Agreement has been presented to the District at this meeting;

WHEREAS, the Note is proposed to be purchased by the Authority pursuant to the Loan Agreement;

WHEREAS, the Board deems it essential and desirable that this Supplemental Resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the District, and that the exact principal amount, the date, the maturity date, the principal payment dates, the sale price and other terms of the Note be fixed hereby in the manner stated herein, and that other matters relating to the Note be herein provided for; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF THE BRADLEY PUBLIC SERVICE DISTRICT AS FOLLOWS:

Section 1. Pursuant to the Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Bradley Public Service District, Sewerage System Design Note, Series 2002B (West Virginia Infrastructure Fund), originally represented by one note, numbered BR-1, in the principal amount of $200,000. The Note shall be dated the date of delivery thereof, shall be repaid as part of the permanent financing for the Project, and shall bear no interest. Unless earlier paid, the entire outstanding principal shall be paid on June 1, 2007, as set forth in the Note and the Schedule Y attached to the Loan Agreement. The Note shall be subject to redemption upon the written consent of the Authority and the Council, upon payment of the redemption premium, if any, and upon continued compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Note. The Issuer does hereby approve and shall pay the Administrative Fee equal to 3% of the principal amount of the Note set forth in Schedule Y attached to the Loan Agreement.

Section 2. All other provisions relating to the Note and the text of the Note shall be in substantially the form provided in the Resolution.

Section 3. The District does hereby authorize, approve and ratify the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Chairman, and the performance of the obligations contained therein on behalf of the District are hereby authorized, directed, ratified and approved. The District hereby affirms all covenants and representations made in the Loan Agreement and in the Application to the Council and the Authority. The price of the Note shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds will be advanced from time to time as requisitioned by the District.

Section 4. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission to serve as Paying Agent for the Bonds, and The City National Bank of West Virginia to serve as Registrar and Depository Bank.

Section 5. The proceeds of the Note, as advanced from time to time, shall be deposited in or credited to the Note Project Fund, as received from time to time for payment of Costs of the Project, including costs of issuance of the Note. The Issuer hereby approves the use of its own funds in the amount of $23,000 for the Project.

Section 6. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Note hereby and by the Resolution approved and provided for, to the end that the Note may be delivered on or about June 25, 2002, to the Authority pursuant to the Loan Agreement.

Section 7. The financing of the Project in part with proceeds of the Note is in the public interest, serves a public purpose of the District and will promote the health, welfare and safety of the residents of the District.

Section 8. The District hereby determines to invest all moneys in the funds and accounts established by the Resolution held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the District hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such money market accounts until further directed in writing by the District. Moneys in the Series 2002 Bond Sinking Fund and the Series 2002 Bond Reserve Account shall be invested by the Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 9. The District hereby approves and accepts all contracts relating to the financing and design of the Project. The District hereby approves the costs of issuance and authorizes the payment of the same.

Section 10. This Supplemental Resolution shall be effective immediately following adoption hereof.

Dated: June 12, 2002

BRADLEY PUBLIC SERVICE DISTRICT

[SEAL]

By: D.B. Stevenson Jr.
Chairman, Public Service Board

Dorothy J. Redden
Secretary, Public Service Board

CERTIFICATION

Certified as a true copy of the Supplemental Resolution adopted by the Public Service Board of the Bradley Public Service District on June 12, 2002.

Dated: June 25, 2002.

Dorothy J. Redden
Secretary, Public Service Board

[SEAL]

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BRADLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2002A
(STATE REVOLVING FUND)

No. AR-1 $293,000.00

KNOW ALL MEN BY THESE PRESENTS: That BRADLEY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Raleigh County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of TWO HUNDRED NINETY-THREE THOUSAND DOLLARS ($293,000.00), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2003, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2003, as set forth on EXHIBIT B attached hereto.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority and the DEP, dated June 11, 2002.

This Bond is issued (i) to pay a portion of the costs of design of certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public sewerage facilities of the Issuer, the improvements and extensions designed by the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended

(collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on May 8, 2002, and a Supplemental Resolution duly adopted by the Issuer on June 12, 2002 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S SEWER REVENUE BOND, SERIES 1978 AND ITS SEWER REVENUE BONDS, SERIES 1995 A, SERIES 1995 B AND SERIES 1995 C, DESCRIBED IN RESOLUTIONS ADOPTED ON OCTOBER 16, 1978, AND MARCH 8, 1995, RESPECTIVELY, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNTS OF $1,522,000, $2,000,000, $1,676,000, AND $250,000, RESPECTIVELY.

THE SERIES 1979 BONDS AND THE SERIES 1995 BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS."

THIS BOND IS ISSUED SENIOR AND PRIOR, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE SEWERAGE SYSTEM DESIGN NOTE, SERIES 2002B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JUNE 25, 2002, ISSUED CONCURRENTLY IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $200,000 (THE "NOTE").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2002A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds that may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2002A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2002A Bonds Reserve

Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of design of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, this Bond will be in default should any proceeds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, BRADLEY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated June 25, 2002.

[SEAL]

Chairman

ATTEST:

Secretary

SPECIMEN

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2002A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: June 25, 2002.

THE CITY NATIONAL BANK OF WEST VIRGINIA,
as Registrar

By: _____
Assistant Vice President and Trust Officer

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $135.819	6/25/02	(7) $	
(2) $		(8) $	
(3) $		(9) $	
(4) $		(10) $	
(5) $		(11) $	
(6) $		(12) $	

TOTAL $

SPECIMEN

Bradley Public Service District (West Virginia)

Loan of $293,000
30 Years, 0% Interest Rate, 0.5% Administrative Fee
Closing Date: June 25, 2002

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2002	-	-	-
12/01/2002	-	-	-
3/01/2003	-	-	-
6/01/2003	2,442.00	-	2,442.00
9/01/2003	2,442.00	-	2,442.00
12/01/2003	2,442.00	-	2,442.00
3/01/2004	2,442.00	-	2,442.00
6/01/2004	2,442.00	-	2,442.00
9/01/2004	2,442.00	-	2,442.00
12/01/2004	2,442.00	-	2,442.00
3/01/2005	2,442.00	-	2,442.00
6/01/2005	2,442.00	-	2,442.00
9/01/2005	2,442.00	-	2,442.00
12/01/2005	2,442.00	-	2,442.00
3/01/2006	2,442.00	-	2,442.00
6/01/2006	2,442.00	-	2,442.00
9/01/2006	2,442.00	-	2,442.00
12/01/2006	2,442.00	-	2,442.00
3/01/2007	2,442.00	-	2,442.00
6/01/2007	2,442.00	-	2,442.00
9/01/2007	2,442.00	-	2,442.00
12/01/2007	2,442.00	-	2,442.00
3/01/2008	2,442.00	-	2,442.00
6/01/2008	2,442.00	-	2,442.00
9/01/2008	2,442.00	-	2,442.00
12/01/2008	2,442.00	-	2,442.00
3/01/2009	2,442.00	-	2,442.00
6/01/2009	2,442.00	-	2,442.00
9/01/2009	2,442.00	-	2,442.00
12/01/2009	2,442.00	-	2,442.00
3/01/2010	2,442.00	-	2,442.00
6/01/2010	2,442.00	-	2,442.00
9/01/2010	2,442.00	-	2,442.00
12/01/2010	2,442.00	-	2,442.00
3/01/2011	2,442.00	-	2,442.00
6/01/2011	2,442.00	-	2,442.00
9/01/2011	2,442.00	-	2,442.00
12/01/2011	2,442.00	-	2,442.00
3/01/2012	2,442.00	-	2,442.00
6/01/2012	2,442.00	-	2,442.00
9/01/2012	2,442.00	-	2,442.00
12/01/2012	2,442.00	-	2,442.00
3/01/2013	2,442.00	-	2,442.00
6/01/2013	2,442.00	-	2,442.00
9/01/2013	2,442.00	-	2,442.00
12/01/2013	2,442.00	-	2,442.00
3/01/2014	2,442.00	-	2,442.00

SPECIMEN

Bradley Public Service District (West Virginia)

Loan of $293,000
30 Years, 0% Interest Rate, 0.5% Administrative Fee
Closing Date: June 25, 2002

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
6/01/2014	2,442.00	-	2,442.00
9/01/2014	2,442.00	-	2,442.00
12/01/2014	2,442.00	-	2,442.00
3/01/2015	2,442.00	-	2,442.00
6/01/2015	2,442.00	-	2,442.00
9/01/2015	2,442.00	-	2,442.00
12/01/2015	2,442.00	-	2,442.00
3/01/2016	2,442.00	-	2,442.00
6/01/2016	2,442.00	-	2,442.00
9/01/2016	2,442.00	-	2,442.00
12/01/2016	2,442.00	-	2,442.00
3/01/2017	2,442.00	-	2,442.00
6/01/2017	2,442.00	-	2,442.00
9/01/2017	2,442.00	-	2,442.00
12/01/2017	2,442.00	-	2,442.00
3/01/2018	2,442.00	-	2,442.00
6/01/2018	2,442.00	-	2,442.00
9/01/2018	2,442.00	-	2,442.00
12/01/2018	2,442.00	-	2,442.00
3/01/2019	2,442.00	-	2,442.00
6/01/2019	2,442.00	-	2,442.00
9/01/2019	2,442.00	-	2,442.00
12/01/2019	2,442.00	-	2,442.00
3/01/2020	2,442.00	-	2,442.00
6/01/2020	2,442.00	-	2,442.00
9/01/2020	2,442.00	-	2,442.00
12/01/2020	2,442.00	-	2,442.00
3/01/2021	2,442.00	-	2,442.00
6/01/2021	2,442.00	-	2,442.00
9/01/2021	2,442.00	-	2,442.00
12/01/2021	2,442.00	-	2,442.00
3/01/2022	2,442.00	-	2,442.00
6/01/2022	2,442.00	-	2,442.00
9/01/2022	2,442.00	-	2,442.00
12/01/2022	2,442.00	-	2,442.00
3/01/2023	2,442.00	-	2,442.00
6/01/2023	2,441.00	-	2,441.00
9/01/2023	2,441.00	-	2,441.00
12/01/2023	2,441.00	-	2,441.00
3/01/2024	2,441.00	-	2,441.00
6/01/2024	2,441.00	-	2,441.00
9/01/2024	2,441.00	-	2,441.00
12/01/2024	2,441.00	-	2,441.00
3/01/2025	2,441.00	-	2,441.00
6/01/2025	2,441.00	-	2,441.00
9/01/2025	2,441.00	-	2,441.00
12/01/2025	2,441.00	-	2,441.00

SPECIMEN

Bradley Public Service District (West Virginia)
Loan of $293,000
30 Years, 0% Interest Rate, 0.5% Administrative Fee
Closing Date: June 25, 2002

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
3/01/2026	2,441.00	-	2,441.00
6/01/2026	2,441.00	-	2,441.00
9/01/2026	2,441.00	-	2,441.00
12/01/2026	2,441.00	-	2,441.00
3/01/2027	2,441.00	-	2,441.00
6/01/2027	2,441.00	-	2,441.00
9/01/2027	2,441.00	-	2,441.00
12/01/2027	2,441.00	-	2,441.00
3/01/2028	2,441.00	-	2,441.00
6/01/2028	2,441.00	-	2,441.00
9/01/2028	2,441.00	-	2,441.00
12/01/2028	2,441.00	-	2,441.00
3/01/2029	2,441.00	-	2,441.00
6/01/2029	2,441.00	-	2,441.00
9/01/2029	2,441.00	-	2,441.00
12/01/2029	2,441.00	-	2,441.00
3/01/2030	2,441.00	-	2,441.00
6/01/2030	2,441.00	-	2,441.00
9/01/2030	2,441.00	-	2,441.00
12/01/2030	2,441.00	-	2,441.00
3/01/2031	2,441.00	-	2,441.00
6/01/2031	2,441.00	-	2,441.00
9/01/2031	2,441.00	-	2,441.00
12/01/2031	2,441.00	-	2,441.00
3/01/2032	2,441.00	-	2,441.00
6/01/2032	2,441.00	-	2,441.00
9/01/2032	2,441.00	-	2,441.00
12/01/2032	2,441.00	-	2,441.00
3/01/2033	2,441.00	-	2,441.00
Total	293,000.00	-	293,000.00 *¢

YIELD STATISTICS

Bond Year Dollars	$4,631.44
Average Life	15.807 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	6.30E-13
Bond Yield for Arbitrage Purposes	6.30E-13
All Inclusive Cost (AIC)	0.4776443%

IRS FORM 8038

Net Interest Cost	-
Weighted Average Maturity	15.807 Years

*Plus $184.64 one-half percent administrative fee paid quarterly. Total fee paid over the life of the loan is $22,156.80.

(Form of) **SPECIMEN**

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20__.

_____

In the presence of:

_____

LAW OFFICES
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June 25, 2002

Bradley Public Service District
Bradley, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Re: Bradley Public Service District, Sewer Revenue Bond, Series 2002A (State Revolving Fund)

Ladies and Gentlemen:

We have served as bond counsel to Bradley Public Service District (the "Issuer") in connection with the issuance of its Sewer Revenue Bond, Series 2002A (State Revolving Fund), dated the date hereof (the "Bond").

We have examined certified copies of proceedings and other papers relating to the authorization of (i) a loan agreement for the Bonds, dated June 25, 2002, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the Bond to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bond is issued in the principal amount of $293,000, in the form of one bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2003, all as set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Bond. The Bond is subject to the SRF Administrative Fee equal to 0.5% of the principal amount of the Bond as set forth in the Schedule Y attached to the Loan Agreement.

The Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article

13A and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of designing certain improvements and extensions to the existing public sewer facilities of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and a Bond Resolution duly adopted by the Issuer on May 8, 2002, as supplemented by a Supplemental Resolution duly adopted by the Issuer on June 12, 2002 (collectively, the "Resolution"), pursuant to and under which Act and Resolution the Bond is authorized and issued, and the Loan Agreement is entered into. The Bond is subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Resolution and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Resolution and the Loan Agreement when used herein.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion, under existing law, as follows:

1. The Issuer is a duly created and validly existing public service district and is a public corporation and political subdivision of the State of West Virginia, with full power and authority to design the Project, to operate and maintain the System, to adopt the Resolution and to issue and sell the Bond, all under the Act and other applicable provisions of law.

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer and is a valid and binding special obligation of the Issuer, enforceable in accordance with the terms thereof.

3. The Loan Agreement inures to the benefit of the Authority and the DEP and cannot be amended so as to affect adversely the rights of the Authority and the DEP or diminish the obligations of the Issuer, without the written consent of the Authority and the DEP.

4. The Issuer has legally and effectively adopted the Resolution and all other necessary resolutions in connection with the issuance and sale of the Bond. The Resolution constitutes a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms thereof and contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Bond has been duly authorized, issued, executed and delivered by the Issuer to the Authority and is a valid, legally enforceable and binding special obligation of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and a pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Prior Bonds, all in accordance with the terms of the Bond and the Resolution.

6. Under the Act, the Bond and the interest thereon, if any, are exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

7. The Bond has not been issued on the basis that the interest, if any, thereon is or will be excluded from the gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bond.

No opinion is given herein as to the effect upon the enforceability of the Bond under any applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights or the exercise of judicial discretion or principles of equity in appropriate cases.

We have examined the executed and authenticated Bond numbered AR-1 and in our opinion, the form of said Bond and its execution and authentication are regular and proper.

Respectfully submitted,

Goodwin & Goodwin, LLP

Goodwin & Goodwin, LLP

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BRADLEY PUBLIC SERVICE DISTRICT
SEWERAGE SYSTEM DESIGN NOTE, SERIES 2002B
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. BR-1 $200,000.00

KNOW ALL MEN BY THESE PRESENTS: That BRADLEY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Raleigh County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns, on the 1st day of June, 2007, the principal sum of TWO HUNDRED THOUSAND DOLLARS ($200,000.00), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the Record of Advances attached hereto and incorporated herein by reference as a part hereof. The Administrative Fee (as defined in the hereinafter described Notes Legislation) shall be payable in the amounts and on the dates as set forth in the Loan Agreement (as hereinafter defined). This Note shall bear no interest.

The principal of this Note and the Administrative Fee are payable in any coin or currency which on the date of payment thereof is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Note may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement dated June 25, 2002, by and between the Issuer and the Authority, on behalf of the Council.

This Note is issued (i) to temporarily finance a portion of the costs of design of certain improvements and extensions to the existing public sewer facilities of the Issuer (the "Project"), and (ii) to pay the costs of issuance of this Note and related costs. The existing public sewer facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System". This Note is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"), a Notes Resolution duly adopted by the Issuer on May 8, 2002, and supplemented by a Supplemental Resolution adopted by the Issuer on June 12, 2002 (collectively, the "Note Legislation"), and is subject to all the terms and conditions thereof.

THIS NOTE IS ISSUED JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (1) SEWER REVENUE BOND, SERIES 1978, (2) SEWER REVENUE BONDS, SERIES 1995 A, SERIES 1995 B AND SERIES 1995 C, AND (3) SEWER REVENUE BOND, SERIES 2002A (STATE REVOLVING FUND), DESCRIBED IN

SPECIMEN

RESOLUTIONS ADOPTED ON OCTOBER 16, 1978, MARCH 8, 1995, AND MAY 8, 2002, RESPECTIVELY, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNTS OF $1,522,000, $2,000,000, $1,676,000, $250,000, AND $293,000 RESPECTIVELY (COLLECTIVELY, THE "BONDS").

This Note is payable only from and secured by a first lien on (1) the proceeds of any grants (other than grants from the West Virginia Infrastructure Fund) received by the Issuer for the System; (2) the proceeds of any revenue bonds, refunding bonds or other obligations of the Issuer, issued subsequent to the issuance of this Note; and (3) Surplus Revenues (as defined in the Notes Legislation), if any. The moneys from these sources shall be deposited into the Notes Payment Fund established under the Notes Legislation for the prompt payment of this Note.

In the event no grants (other than grants from the West Virginia Infrastructure Fund) are received by the Issuer for the System or no revenue bonds, refunding bonds or other obligations of the Issuer are issued by the maturity date of the Notes or no Surplus Revenues are available to amortize the Notes over a 20-year period, the payment of the Notes shall be deferred until the earlier of (i) the date any grants (other than grants from the West Virginia Infrastructure Fund) are received for the System, (ii) the date any revenue bonds, refunding bonds or other obligations of the Issuer are issued, or (iii) 20 years from the date of issuance of the Notes. In the event any grants (other than grants from the West Virginia Infrastructure Fund) are received for the System or any revenue bonds, refunding bonds or other obligations of the Issuer are issued, the Issuer shall pay the entire outstanding principal of, accrued interest, if any, and the Administrative Fee on the Notes from the proceeds thereof. In the event the Issuer receives a grant (other than a grant from the West Virginia Infrastructure Fund) or other non-loan funding assistance for the acquisition and construction of a project to serve the area described in the application to the Council, which grant or other non-loan funding assistance may not be used to pay the Notes, then the Notes shall be repaid from the Net Revenues generated from the project constructed from such grant or other non-loan funding assistance (or from bond proceeds secured by such Net Revenues) and such repayment shall be amortized for a period not to exceed 20 years, provided that, the holders of any outstanding bonds secured by Net Revenues of the System shall consent to the payment of the Notes from Net Revenues generated from such project. In the event no grants (other than grants from the West Virginia Infrastructure Fund) are received for the System or no revenue bonds, refunding bonds or other obligations of the Issuer are issued or no project has been acquired or constructed by the Issuer within 20 years from the date of issuance of the Notes, the Council shall authorize the Authority to convert the Notes to a grant and cancel the Notes.

This Note does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from the sources set forth above. Under the Notes Legislation, the Issuer has entered into certain covenants with the Authority, for the terms of which reference is made to the Notes Legislation. Remedies provided the Authority are exclusively as provided in the Notes Legislation, to which reference is here made for a detailed description thereof.

Subject to the requirements for transfer set forth herein, this Note is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the

SPECIMEN

State of West Virginia. This Note is transferable, as provided in the Notes Legislation, only by transfer of registration upon the books of the Registrar (as defined in the Notes Legislation), to be made at the request of the registered owner hereof in person or by his attorney, duly authorized in writing, and upon surrender hereof, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his duly authorized attorney.

All moneys received from the sale of this Note shall be applied solely to the payment of the costs of design of the Project and the costs of issuance and related costs described in the Notes Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Note.

Under the Act, this Note is exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by law, and that the Notes, together with all other obligations of the Issuer, do not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia.

All provisions of the Notes Legislation and the statutes under which this Note is issued shall be deemed to be part of the contract evidenced by this Note to the same extent as if written fully herein.

This Note shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

IN WITNESS WHEREOF, BRADLEY PUBLIC SERVICE DISTRICT has caused this Note to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Note to be dated June 25, 2002.

[SEAL]

SPECIMEN

Chairman

Attest:

SPECIMEN

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Note is one of the Notes described in and issued under the provisions of the within-mentioned Notes Legislation and has been duly registered in the name of the registered owner set forth above.

Date: June 25, 2002.

THE CITY NATIONAL BANK OF WEST VIRGINIA,
as Registrar

By: _____
Assistant Vice President and Trust Officer

SPECIMEN

SPECIMEN

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$131,819	6/25/02	(7)	$	
(2)	$		(8)	$	
(3)	$		(9)	$	
(4)	$		(10)	$	
(5)	$		(11)	$	
(6)	$		(12)	$	

TOTAL $

SPECIMEN

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the within-mentioned Note and does hereby irrevocably constitute and appoint _____, attorney, to transfer said Note on the books of the Registrar on behalf of said Issuer with full power of substitution in the premises.

Dated: _____

_____

In the Presence of:

_____

LAW OFFICES
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300 SUMMERS STREET, SUITE 1500
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June 25, 2002

Bradley Public Service District
Bradley, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Re: Bradley Public Service District Sewerage System Design Note, Series 2002B (West Virginia Infrastructure Fund)

Ladies and Gentlemen:

We have served as bond counsel to Bradley Public Service District (the "Issuer") in connection with the issuance of its Sewerage System Design Note, Series 2002 B (West Virginia Infrastructure Fund), dated the date hereof (the "Note").

We have examined certified copies of proceedings and other papers relating to the authorization of (i) a loan agreement for the Note, dated June 25, 2002, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and (ii) the Note to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Note are issued in the principal amount of $200,000, in the form of one note, registered as to the Authority, bearing no interest, with the entire outstanding principal payable on June 1, 2007, all as set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Note. The Note is subject to the Administrative Fee equal to 3% of the principal amount of the Note as set forth in the Schedule Y attached to the Loan Agreement.

The Note is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and

Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"), for the purposes of (i) temporarily financing a portion of the costs of design of certain improvements and extensions to the existing public sewer facilities for the Issuer (the "Project"); and (ii) paying costs of issuance and related costs.

We have also examined the applicable provisions of the Act and a Note Resolution duly adopted by the Issuer on May 8, 2002, as supplemented by a Supplemental Resolution duly adopted by the Issuer on June 12, 2002 (collectively, the "Resolution"), pursuant to and under which Act and Resolution the Note are authorized and issued, and the Loan Agreement is entered into. The Note is subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Resolution and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Resolution and the Loan Agreement when used herein.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion, under existing law, as follows:

1. The Issuer is a duly created and validly existing public service district and is a public corporation and a political subdivision of the State of West Virginia, with full power and authority to design and proceed with the Project, to operate and maintain the System, to adopt the Resolution and to issue and sell the Note, all under the Act and other applicable provisions of law.

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer and is a valid and binding special obligation of the Issuer, enforceable in accordance with the terms thereof.

3. The Loan Agreement inures to the benefit of the Authority and the Council and cannot be amended so as to affect adversely the rights of the Authority and the Council or diminish the obligations of the Issuer without the written consent of the Authority and the Council.

4. The Issuer has legally and effectively adopted the Resolution and all other necessary resolutions in connection with the issuance and sale of the Note. The Resolution constitutes a valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms thereof and contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Note has been duly authorized, issued, executed and delivered by the

Issuer to the Authority and is a valid, legally enforceable and binding special obligation of the Issuer. There are outstanding obligations of the Issuer which will rank senior and prior to the Note as to liens, pledge and source of and security for payment, being the Sewer Revenue Bond, Series 1978, dated December 17, 1979, the Sewer Revenue Bonds, Series 1995 A, Series 1995 B and Series 1995 C, dated March 16, 1995, and the Sewer Revenue Bond, Series 2002A (State Revolving Fund) (collectively, the "Bonds"). The Note shall be issued junior and subordinate to the Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Note shall be payable only from and secured by a first lien on (1) the proceeds of any grants (other than grants from the West Virginia Infrastructure Fund) received by the Issuer for the System; (2) the proceeds of any revenue bonds, refunding bonds or other obligations of the Issuer, issued subsequent to the issuance of the Note; and (3) Surplus Revenues, if any. The Issuer has no obligations outstanding which are payable from any source from which the Note are payable.

6. Under the Act, the Note and the interest thereon are exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

7. The Note has not been issued on the basis that the interest, if any, thereon is or will be excluded from the gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Note.

No opinion is given herein as to the effect upon the enforceability of the Note under any applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights or the exercise of judicial discretion or principles of equity in appropriate cases.

We have examined the executed and authenticated Note numbered BR-1 and in our opinion, the form of said Note and its execution and authentication are regular and proper.

Respectfully submitted,

Goodwin & Goodwin, LLP

GOODWIN & GOODWIN, LLP

BRADLEY PUBLIC SERVICE DISTRICT

SEWER REVENUE BOND, SERIES 2005 A

(STATE REVOLVING FUND)

BOND RESOLUTION

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BRADLEY PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE PREPAYMENT OF THE SEWERAGE SYSTEM DESIGN NOTE, SERIES 2002B (WEST VIRGINIA INFRASTRUCTURE FUND), OF BRADLEY PUBLIC SERVICE DISTRICT AND THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF BRADLEY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $6,192,677 IN AGGREGATE PRINCIPAL AMOUNT OF ITS SEWER REVENUE BOND, SERIES 2005 A (STATE REVOLVING FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNER OF SUCH BOND; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BOND; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BOND; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BOND AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF BRADLEY PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

Section 1.02. Findings. It is hereby found, determined and declared that:

A. Bradley Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Raleigh County of said State.

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain improvements and extensions to the existing public sewerage facilities of the Issuer, consisting of the acquisition, construction, installation and equipping of a new 1 mgd SBR wastewater treatment plant at the location of the existing plant on North Sands Fork of Paint Creek, utilizing the clarifiers, digesters, oxidation ditch and lab building of the existing facility, and related property and equipment (collectively, the "Project"), which constitute properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the existing public sewerage facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System").

C. The Issuer intends to permanently finance a portion of the costs of acquiring, constructing and equipping the Project through the issuance of its revenue bond to be sold to the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Water Pollution Control Revolving Fund Program (the "SRF Program"), pursuant to the Act, in order to take advantage of the favorable terms available to the Issuer under the SRF Program.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bond, Series 2005 A (West Virginia SRF Program), in the aggregate principal amount of not more than $6,192,677 (the "Series 2005 Bond"), initially to be represented by a single bond, to permanently finance a portion of the costs of acquiring, constructing and equipping of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2005 Bond prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2005 Bond Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, commitment fees, fees and expenses of the Authority, including the SRF Administrative Fee, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2005 Bond and such other expenses as may be necessary or incidental to the financing herein authorized, the cost of acquiring, constructing and equipping the Project, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2005 Bond or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after the completion of the Project is not less than 40 years.

F. It is in the best interests of the Issuer that its Series 2005 Bond be sold to the Authority pursuant to the terms and provisions of a bond purchase agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the Issuer, the Authority and the DEP (the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

G. The Issuer has heretofore issued its Sewerage System Design Note, Series 2002B (West Virginia Infrastructure Fund), dated June 25, 2002, in the original principal amount of $200,000 (the "Note"), to temporarily finance a portion of the costs of design of the Project. The Note is secured by a lien on the proceeds of any grants, revenue bonds, refunding bonds or other obligations of the Issuer, issued subsequent to the issuance of the Note. The Issuer hereby determines that it is in its best interest to pay the entire outstanding principal of and all interest and administrative fees on the Note in full with proceeds of the grant from the West Virginia Infrastructure Fund on the Closing Date.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2005 Bond as to liens, pledge and source of and security for payment, which obligations are designated as follows:

a. Sewer Revenue Bond, Series 1978, dated December 17, 1979, issued in the original principal amount of $1,522,000 (the "Series 1979 Bonds");

b. Sewer Revenue Bonds, Series 1995 A, 1995 B and 1995 C, dated March 16, 1995, issued in the original principal amounts of $2,000,000, $1,676,000 and $250,000, respectively (collectively, the "Series 1995 Bonds"); and

c. Sewer Revenue Bonds, Series 2002A (State Revolving Fund), dated June 25, 2002, issued in the original principal amount of $293,000 (the "Series 2002A Bonds").

The Series 1979 Bonds, the Series 1995 Bonds and the Series 2002A Bonds are hereinafter collectively called the "Prior Bonds."

The Series 2005 Bond shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has met the coverage and parity requirements for issuance of parity bonds of the Prior Bonds and the resolutions authorizing the Prior Bonds and has substantially complied with all other parity requirements, except to the extent that noncompliance with any such other parity requirements is not of a material nature. Prior

to the issuance of the Series 2005 Bond, the Issuer will obtain the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met and the written consents of the Holders of the Prior Bonds to the issuance of the Series 2005 Bond on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer that are secured by revenues or assets of the System after the payment of the Note.

H. The estimated revenues to be derived in each year following completion of the Project will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest on the Series 2005 Bond and the Prior Bonds, and to make payments into all Sinking Funds, Reserve Accounts and other payments provided for herein, all as such terms are hereinafter defined.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and equipping of the Project and the operation of the System and issuance of the Series 2005 Bond, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2005 Bond or such final order will not be subject to appeal or rehearing.

J. The Project has been approved by the West Virginia Infrastructure and Jobs Development Council as required under Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2005 Bond by those who shall be the Registered Owner of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owner of such Series 2005 Bond, which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.04. Definitions. The following terms shall have the following meanings herein unless the context expressly requires otherwise:

"Act" means, collectively, Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2005 Bond, or

any other agency of the State of West Virginia that succeeds to the functions of the Authority.

"Authorized Officer" means the Chairman of the Governing Body of the Issuer or any temporary Chairman duly selected by the Governing Body.

"Bondholder," "Holder of the Bond," "Holder," "Registered Owner" or any similar term whenever used herein with respect to an outstanding Bond or Bonds, means the person in whose name such Bond is registered.

"Bond Legislation," "Resolution," "Bond Resolution" or "Local Act" means this Bond Resolution and all orders and resolutions supplemental hereto or amendatory hereof.

"Bond Registrar" means the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns.

"Bonds" means, collectively, the Series 2005 Bond, the Prior Bonds, and any bonds on parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

"Bond Year" means the 12-month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

"Chairman" means the Chairman of the Governing Body of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2005 Bond for all or a portion of the proceeds of the Series 2005 Bond from the Authority.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations.

"Commission" means the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia that succeeds to the functions of the Commission.

"Completion Date" means the completion date of the Project, as defined in the SRF Regulations.

"Consulting Engineers" means Ghosh Engineers, Inc., Charleston, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System or portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of

1931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

"Costs" or "Costs of the Project" means those costs described in Section 1.02D hereof to be a part of the cost of acquiring, constructing and equipping the Project.

"Council" means the West Virginia Infrastructure and Jobs Development Council or any other agency of the State of West Virginia that succeeds to the functions of the Council.

"DEP" means the West Virginia Department of Environmental Protection, or any other agency, board or department of the State that succeeds to the functions of the DEP.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns, which shall be a member of FDIC.

"FDIC" means the Federal Deposit Insurance Corporation and any successor to the functions of the FDIC.

"Fiscal Year" means each 12-month period beginning on July 1 and ending on the succeeding June 30.

"Governing Body" or "Board" means the public service board of the Issuer, as it may now or hereafter be constituted.

"Government Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined.

"Herein," "hereto" and similar words shall refer to this entire Bond Legislation.

"Independent Certified Public Accountants" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of

the System or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

"Investment Property" means

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

"Issuer" means Bradley Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Raleigh County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into by and among the Authority, the DEP and the Issuer, providing for the purchase of the Series 2005 Bond from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Net Proceeds" means the face amount of the Series 2005 Bond, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2005 Bond Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2005 Bond, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means the balance of the Gross Revenues, remaining after deduction of Operating Expenses, as hereinafter defined.

"Nonpurpose Investment" means any Investment Property, as defined in Section 148(b) of the Code, that is not a purpose investment.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the costs, the SRF Administration Fee, fees and expenses of the Authority, fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as herein defined), other than those capitalized as part of the costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond cancelled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any Bonds registered to the Issuer.

"Parity Bonds" means additional bonds issued under the provisions and within the limitations prescribed by Section 7.07 hereof.

"Paying Agent" means the Commission or other entity designated as such for the Series 2005 Bond in the Supplemental Resolution with the written consent of the Authority and the DEP.

"Prior Bonds" means, collectively, the Series 1979 Bonds, the Series 1995 Bonds and the Series 2002A Bonds as described in Section 1.02G hereof.

"Prior Resolutions" means, individually or collectively, the resolution of the Issuer adopted October 16, 1978, authorizing the Series 1979 Bonds; the resolution of the Issuer adopted March 8, 1995, authorizing the Series 1995 Bonds; and the resolution of the Issuer adopted May 8, 2002, authorizing the Series 2002A Bonds.

"Private Business Use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit; provided that use as a member of the general public shall not be taken into account.

"Project" means the Project as described in Section 1.02B hereof.

"Qualified Investments" means and includes any of the following:

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

(f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;

(g) Repurchase agreements or similar banking arrangements, fully secured by investments of the types described in paragraphs (a) through (e) above or fully insured by the FDIC, with member banks of the Federal Reserve system or banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor;

must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended, including, without limitation, authorized pools of investments operated by such State Board of Investments; and

(i) Obligations of states or political subdivisions or agencies thereof, the interest on which is excluded from gross income for federal income tax purposes, and which are rated at least "A" by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

"Registrar" means the Bond Registrar.

"Regulations" means temporary and permanent regulations promulgated under the Code or any predecessor to the Code.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by the Prior Resolution and continued hereby.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2005 Bond and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any reserve account for the Series 2005 Bond and the Prior Bonds.

"Revenue Fund" means the Revenue Fund established by the Prior Resolutions and continued hereby.

"Secretary" means the Secretary of the Governing Body of the Issuer.

"Series 2005 Bond" means the Sewer Revenue Bond, Series 2005 A (State Revolving Fund), of the Issuer, authorized by this Resolution.

"Series 2005 Bond Construction Trust Fund" means the Series 2005 Bond Construction Trust Fund established by Section 5.01 hereof.

"Series 2005 Bond Reserve Account" means the Series 2005 Bond Reserve Account established by Section 5.02 hereof.

"Series 2005 Bond Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2005 Bond in the then current or any succeeding year.

"Series 2005 Bond Sinking Fund" means the Series 2005 Bond Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Series 2005 Bond and the Prior Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid under the Loan Agreement.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 2005 Bond; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2005 Bond, and not so included, may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2005 Bond, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.

"System" means the complete properties of the Issuer for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, improvements and extensions thereto hereafter constructed or acquired for said system from any sources whatsoever.

"West Virginia Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Chapter 31, Article 15A, Section 9 of the Code of West Virginia, 1931, as amended and in effect on the date of adoption hereof.

Additional terms and phrases are defined in this Resolution as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words

importing the masculine, feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Chairman or the Secretary shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Chairman or Acting Secretary.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT AND THE PREPAYMENT OF THE NOTE

Section 2.01. Authorization of Acquisition and Construction of the Project and the Prepayment of the Note. There is hereby authorized and ordered the acquisition, construction and equipping of the Project, at an estimated cost of $8,192,677, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, approved by the DEP and the Issuer and heretofore filed in the office of the Governing Body. The proceeds of the Series 2005 Bond hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the construction of the Project, compatible with the financing plan submitted to the SRF Program.

The cost of acquisition and construction of the Project is estimated to be $8,192,677, of which $6,192,677 will be obtained from the proceeds of the Series 2005 Bond and $2,000,000 will be obtained from a grant from the West Virginia Infrastructure Fund.

The cost of prepaying the Note is estimated to be $206,000, which will be obtained from proceeds of the grant from the West Virginia Infrastructure Fund.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BOND; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

Section 3.01. Authorization of Bond. For the purposes of funding a reserve account for the Series 2005 Bond, paying Costs of constructing the Project not otherwise provided for and paying certain costs of issuance of the Series 2005 Bond and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2005 Bond of the Issuer. The Series 2005 Bond shall be issued as a single bond, designated as "Sewer Revenue Bond, Series 2005 A (State Revolving Fund)," in the principal amount of not more than $6,192,677, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2005 Bond remaining after funding the Series 2005 Bond Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2005 Bond, if any, shall be deposited in or credited to the Series 2005 Bond

Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bond. The Series 2005 Bond shall be issued in such principal amount; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2005 Bond shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2005 Bond, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2005 Bond shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2005 Bond, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2005 Bond shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bond then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bond; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such bonds shall be dated and shall bear interest, if any, as set forth in a Supplemental Resolution.

Section 3.03. Execution of Bond. The Series 2005 Bond shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2005 Bond shall cease to be such officer of the Issuer before the Series 2005 Bond so signed and sealed have been actually sold and delivered, such bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2005 Bond may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such bonds shall hold the proper office in the Issuer, although at the date of such bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2005 Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond

Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2005 Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2005 Bond shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2005 Bond shall be conclusively deemed to have agreed that such Bond shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bond shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2005 Bond remains outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Bond.

The registered Bond shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging the Bond or transferring the registered Bond is exercised, the Bond shall be delivered in accordance with the provisions of this Bond Legislation. The Bond surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of the Bond, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Bond or, in the case of any proposed redemption of the Bond, next preceding the date of the selection of the portion of the Bond to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bond Mutilated, Destroyed, Stolen or Lost. In case the Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. The Bond so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bond not to be Indebtedness of the Issuer. The Series 2005 Bond shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2005 Bond shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2005 Bond or the interest, if any, thereon.

Section 3.08. Bond Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2005 Bond shall be secured by a first lien on the Net Revenues derived from the System, on parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Prior Bonds and the Series 2005 Bond and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bond. The Issuer shall execute and deliver the Series 2005 Bond to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2005 Bond to the original purchaser upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2005 Bond are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2005 Bond to the original purchasers;

C. An executed and certified copy of the Bond Legislation;

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2005 Bond.

Section 3.10. Form of Bond. The text of the Series 2005 Bond shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BRADLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2005 A
(STATE REVOLVING FUND)

No. AR-1 $6,192,677

KNOW ALL MEN BY THESE PRESENTS: That BRADLEY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Raleigh County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of SIX MILLION ONE HUNDRED NINETY-TWO THOUSAND SIX HUNDRED SEVENTY-SEVEN DOLLARS ($6,192,677), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 200_, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 200_, as set forth on EXHIBIT B attached hereto.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the DEP, dated January __, 2005.

This Bond is issued (i) to pay a portion of the costs of acquiring, constructing and equipping certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public sewerage facilities of the Issuer, the improvements and extensions constructed by the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on January 5, 2005, and a Supplemental Resolution duly adopted by the Issuer on January 5, 2005 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) SEWER REVENUE BOND, SERIES 1978, (2) SEWER REVENUE BONDS, SERIES 1995 A, SERIES 1995 B AND SERIES 1995 C, AND (3) SEWER REVENUE BOND, SERIES 2002A (STATE REVOLVING FUND)(COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for this Bond (the "Series 2005 Bond Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds that may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2005 Bond Reserve Account and unexpended proceeds of this Bond. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and

interest, if any, on this Bond and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds; provided however, that so long as there exists in the Series 2005 Bond Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owner of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owner of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of constructing the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, BRADLEY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated January 14, 2005.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2005 Bond described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: January 14, 2005.

THE CITY NATIONAL BANK OF WEST VIRGINIA,
as Registrar

By: _____
Vice President

(Form of)

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $	1/14/05	(19) $	
(2) $		(20) $	
(3) $		(21) $	
(4) $		(22) $	
(5) $		(23) $	
(6) $		(24) $	
(7) $		(25) $	
(8) $		(26) $	
(9) $		(27) $	
(10) $		(28) $	
(11) $		(29) $	
(12) $		(30) $	
(13) $		(31) $	
(14) $		(32) $	
(15) $		(33) $	
(16) $		(34) $	
(17) $		(35) $	
(18) $		(36) $	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20__.

_____

In the presence of:

_____

Section 3.11. Sale of Bond; Approval and Ratification of Execution of Loan Agreement The Loan Agreement, including all schedules and exhibits attached thereto, are hereby approved. The Series 2005 Bond shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. Filing of Amended Schedule. Within 60 days following the Completion Date, the Issuer will file with the Authority, the Council and the DEP a schedule, the form of which will be provided by the DEP and/or the Council, setting forth the actual costs of construction of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Resolutions) and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

(1) Revenue Fund (established by the Prior Resolutions);

(2) Renewal and Replacement Fund (established by the Prior Resolutions); and

(3) Series 2005 Bond Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 2005 Bond Sinking Fund; and

(2) Series 2005 Bond Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first each month pay from the Revenue Fund the amount necessary and sufficient to pay current Operating Expenses.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the National Finance Office the amounts required by the Prior Resolutions (i) for deposit in the Series 1979 Bonds Sinking Fund for the payment of the interest on the Series 1979 Bonds and (ii) for deposit in the Series 1995 Bonds Sinking Fund for the payment of the interest on the Series 1995 Bonds.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the National Finance Office or the Commission the amounts required by the Prior Resolutions (i) for deposit in the Series 1979 Bonds Sinking Fund for payment of the principal of the Series 1979 Bonds; (ii) for deposit in the Series 1995 Bonds Sinking Fund for the payment of the principal of the Series 1995 Bonds; (iii) for deposit in the Series 2002A Bonds Sinking Fund for the payment of the principal of the Series 2002A Bond; and (iv) commencing 3 months prior to the first date of payment of principal of the Series 2005 Bond, remit to the Commission for deposit in the Series 2005 Bond Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2005 Bond on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2005 Bond Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Depository Bank or the Commission the amounts required by the Prior Resolutions for deposit in (i) the Series 1979 Bonds Reserve Account; (ii) the Series 1995 Bonds Reserve Account; (iii) the

Series 2002A Bonds Reserve Account; and (iv) commencing 3 months prior to the first date of payment of principal of the Series 2005 Bond, if not fully funded upon issuance of the Series 2005 Bond, remit to the Commission for deposit in the Series 2005 Bond Reserve Account, an amount equal to 1/120th of the Series 2005 Bond Reserve Requirement; provided that, no further payments shall be made into the Series 2005 Bond Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2005 Bond Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, from the moneys remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 2005 Bond Sinking Fund shall be used only for the purpose of paying principal of and interest, if any, on the Series 2005 Bond as the same shall become due. Moneys in the Series 2005 Bond Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2005 Bond as the same shall come due, when other moneys in the Series 2005 Bond Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2005 Bond Sinking Fund and the Series 2005 Bond Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due, if any, on the Series 2005 Bond, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2005 Bond Reserve Account which result in a reduction in the

balance therein below the Series 2005 Bond Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2005 Bond are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2005 Bond Sinking Fund or the Series 2005 Bond Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2005 Bond issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve account payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2005 Bond, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2005 Bond Sinking Fund and the Series 2005 Bond Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into the Series 2005 Bond Sinking Fund and the Series 2005 Bond Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2005 Bond Sinking Fund and the Series 2005 Bond Reserve Account shall be invested

and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2005 Bond Sinking Fund, including the Series 2005 Bond Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2005 Bond under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve account payments with respect to the Series 2005 Bond and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month deposit with the Commission the SRF Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement.

C. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreement as Exhibit F, and submit a copy of said form along with a copy of its payment check to the Authority by the 5th day of such calendar month.

D. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically deducted from the Revenue Fund and transferred to the Commission on the dates required.

F. The moneys in excess of the maximum amounts insured by FDIC in any of the funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the

deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

H. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

I. The Gross Revenues of the System shall only be used for purposes of the System.

ARTICLE VI

BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 2005 Bond, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2005 Bond, there shall first be deposited with the Commission in the Series 2005 Bond Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2005 Bond, there shall be deposited with the Commission in the Series 2005 Bond Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2005 Bond Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2005 Bond, such moneys shall be deposited with the Depository Bank in the Series 2005 Bond Construction Trust Fund and applied solely to payment of Costs of construction of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2005 Bond.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2005 Bond shall be used to fund the Series 2005 Bond Reserve Account, if not funded upon issuance of the Series 2005 Bond, in an amount not to exceed the Series 2005 Bond Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Series 2005 Bond be deposited in the Series 2005 Bond Reserve Account. Any remaining proceeds thereafter shall be used as directed by the DEP.

Section 6.02. Disbursements From the Bond Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 2005 Bond will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments of all Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2005 Bond Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement as Exhibit C in compliance with the construction schedule; and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

(A) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

(B) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(C) Each of such costs has been otherwise properly incurred; and

(D) Payment for each of the items proposed is then due and owing.

Pending such application, moneys in the Series 2005 Bond Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by the Holder of the Series 2005 Bond. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holder of the Series 2005 Bond as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2005 Bond or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bond not to be Indebtedness of the Issuer. The Series 2005 Bond shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2005 Bond shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2005 Bond or the interest, if any, thereon.

Section 7.03. Bond Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2005 Bond shall be secured by a first lien on the Net Revenues derived from the System, on parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2005 Bond and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Final Order of the Public Service Commission of West Virginia entered January 11, 2005, in Case No. 03-2063-PSD-CN (Reopened), and such rates are hereby adopted.

So long as the Series 2005 Bond is outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2005 Bond shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, or any part thereof, except as provided in the Prior Resolutions. Additionally, so long as the Series 2005 Bond is outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a

whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2005 Bond, immediately be remitted to the Commission for deposit in the Series 2005 Bond Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2005 Bond. Any balance remaining after the payment of the Series 2005 Bond and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall with the written consent of the Authority, be remitted by the Issuer to the Commission for deposit in the Sinking Funds and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the par value thereof plus 3% of such par value. Such payment of such proceeds into the Sinking Funds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2005 Bond. All obligations issued by the Issuer after the issuance of the Series 2005 Bond and payable from the revenues of the System, except such additional parity bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2005 Bond; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2005 Bond, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2005 Bond and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority and the DEP prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or from any grants, or any other obligations related to the Project or the System.

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolutions shall be applicable. Additionally, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2005 Bond pursuant to this Bond Legislation, except with the prior written consent of DEP and the Authority under the conditions and in the manner herein provided (unless less restrictive than the provisions of the Prior Resolutions).

All Parity Bonds issued hereunder shall be on parity in all respects with the Series 2005 Bond.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the design, acquisition, or construction of extensions and improvements to the System or refunding any outstanding Bonds, or both such purposes.

So long as the Prior Bonds held by the United States of America are Outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year

following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

(1) The Bonds then Outstanding, including, without limitation, the Prior Bonds;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

The following limitation may be waived or modified by the written consent of the Holders of the Prior Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Prior Bonds held by the United States of America are no longer Outstanding, the following parity requirement shall be met:

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer and approved by the Public Service Commission of West Virginia, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the Series 2005 Bond on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2005 Bond.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Bond Legislation with respect to the Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the cost of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the DEP such documents and information as it may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. The Issuer shall maintain separate control accounting records. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system that may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Series 2005 Bond, and shall mail in each year to any Holder or Holders of the Series 2005 Bond, requesting the same, an annual report containing the following:

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation, and the status of all said funds and accounts.

(C) The amount of any bonds, notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to the Holder of the Series 2005 Bond, and shall

submit said report to the Authority and the DEP, or any other original purchaser of the Series 2005 Bond. Such audit report submitted to the Authority and the DEP shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance, and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

The Issuer shall permit the DEP and the Authority, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction and commencement of operation of the Project, the Issuer shall also provide the DEP and the Authority, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the DEP and the Authority with respect to the System pursuant to the Act.

The Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in EXHIBIT E of the Loan Agreement or as promulgated from time to time.

Section 7.09. Rates. Prior to the issuance of the Series 2005 Bond, equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2005 Bond and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2005 Bond, including the Prior Bonds; provided that in the event that amounts equal to or in excess of the reserve

requirements are on deposit respectively in the Series 2005 Bond Reserve Account and any reserve accounts for obligations on a parity with the Series 2005 Bond, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2005 Bond and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2005 Bond, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the DEP within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a professional engineer which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the DEP and to any Holder of any Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority and the DEP and to any Holder of any Bonds, or anyone acting for and on behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for two years following the completion of construction of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement and forward a copy of such report to the Authority and the DEP by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer shall obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the DEP and the Authority, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the DEP and the Authority is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the DEP and the Authority covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, the DEP and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Loan Agreement, to the DEP within 60 days of the end of the first year after the Project is completed.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulation, to the DEP when the Project is 90% completed. The Issuer shall at all times provide operation and maintenance of the System in compliance with all State and federal standards.

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 50% completion stage.

Section 7.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien

on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

Section 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2005 Bond remains Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for repairs and restoration of the damaged or destroyed properties, or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form)

on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract, if any, and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(4) FLOOD INSURANCE, if the System facilities are or will be located in designated special flood or mudslide-prone areas and to the extent available at reasonable cost to the Issuer.

(5) BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

(6) FIDELITY BONDS will be provided for every officer, member and employee of the Issuer having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

B. The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of construction.

The Issuer shall also require all contractors engaged in the construction of the Project to carry such workers' compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project, provided that the amounts and terms of such coverage are satisfactory to the DEP and the Authority. In the event the

Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear. The Issuer shall verify such insurance prior to commencement of construction.

Section 7.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Division of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Division of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 7.17. Completion of Construction; Permits and Orders. The Issuer will cause the Project to be constructed as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by state and federal laws for the construction of the Project and operation of the System, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the construction of the Project and the operation of the System and all approvals for issuance of the Series 2005 Bond required by state law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2005 Bond are used for Private Business Use if, in addition, the payment of more than 10% of the principal or

10% of the interest due, on the Series 2005 Bond during the term thereof is, under the terms of the Series 2005 Bond or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property, or borrowed money, used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2005 Bond are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2005 Bond during the term thereof is, under the terms of the Series 2005 Bond or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property, or borrowed money, used or to be used for a Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2005 Bond used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2005 Bond is for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of the portion of the Project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% or $5,000,000 of the Net Proceeds of the Series 2005 Bond are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to person other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2005 Bond to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. If required, the Issuer will timely file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2005 Bond and the interest thereon including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2005 Bond will be and remain excluded from gross income for federal income tax purposes, and will not take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holder of the Series 2005 Bond, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared

to be valid and binding, shall take effect immediately upon delivery of the Series 2005 Bond, and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.20. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms, conditions and requirements of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP and the Council with copies of all documents submitted to the Authority.

The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the DEP or other state, federal or local bodies in regard to the construction of the Project and the operation, maintenance and use of the System.

Section 7.21. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.22. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2005 Bond or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2005 Bond held in "contingency" as set forth in the schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the DEP before expending any proceeds of the Series 2005 Bond made available due to bid or construction or project underruns.

C. The Issuer shall list the funding as being provided by the DEP and the Authority in any press release, publication, program, bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any ground breaking or dedication of the Project.

ARTICLE VIII

INVESTMENTS; USE OF PROCEEDS

Section 8.01. Investments. Any moneys held as a part of the funds and accounts created by this Bond Legislation other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the

written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 8.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2005 Bond from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2005 Bond as a condition to issuance of the Series 2005 Bond. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2005 Bond as may be necessary in order to maintain the status of the Series 2005 Bond as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2005 Bond which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or DEP, as the case may be, from which the proceeds of the Series 2005 Bond are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or DEP, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2005 Bond and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2005 Bond:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2005 Bond; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2005 Bond set forth in this Bond Legislation, any supplemental resolution or in the Series 2005 Bond, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

(3) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or

(4) If default occurs with respect to the Prior Bonds or the Prior Resolutions.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of

the Holders of the Series 2005 Bond shall be on parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

The receiver so appointed shall forthwith, directly or by his or her or its agents and attorneys, enter into and upon and take possession of all facilities of said System and shall hold, operate and maintain, manage and control such facilities, and each and every part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might exercise.

Whenever all that is due upon the Bond and interest thereon and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owner of the Bond. Such receiver shall have no power to sell, assign,

mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BOND

Section 10.01. Payment of Bond. If the Issuer shall pay, or there shall otherwise be paid, to the Holder of the Series 2005 Bond, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2005 Bond shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2005 Bond, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2005 Bond, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owner of the Series 2005 Bond shall be made without the consent in writing of the Registered Owner of the Series 2005 Bond so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2005 Bond or the rate of interest, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein respectively pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2005 Bond, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 2005 Bond from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2005 Bond, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any court of competent jurisdiction should hold any section, paragraph, clause or provision of this Resolution invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 2005 Bond.

Section 11.04. Headings, Etc. The headings and catch lines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 11.05. Conflicting Provisions Repealed; Prior Resolutions. All orders or resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Resolution and the Prior Resolutions, the Prior Resolutions shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and at the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.07. Public Notice of Proposed Financing. Prior to making formal application to the Public Service Commission of West Virginia for a certificate of public convenience and necessity, the Secretary of the Governing Body shall have caused to be published in a newspaper of general circulation within or in the immediate vicinity of the Bradley Public Service District, a Class II legal advertisement stating:

(a) The maximum amount of the Series 2005 Bond to be issued;

(b) The maximum interest rate and terms of the Series 2005 Bond originally authorized hereby;

(c) The public service properties to be acquired and the cost of the same;

(d) The maximum anticipated rates which will be charged by the Issuer; and

(e) The date that the formal application for a certificate of public convenience and necessity is to be filed with the Public Service Commission of West Virginia.

Section 11.08. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 5th day of January, 2005.

BRADLEY PUBLIC SERVICE DISTRICT

By: _____
Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of the BRADLEY PUBLIC SERVICE DISTRICT on the 5th day of January, 2005.

Dated: January 14, 2005.

[SEAL]

_____
Secretary

EXHIBIT A

Loan Agreement included in bond transcript at Tab 3.

$6,192,677
BRADLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2005 A
(STATE REVOLVING FUND)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE BRADLEY PUBLIC SERVICE DISTRICT, SEWER REVENUE BOND, SERIES 2005 A (STATE REVOLVING FUND); AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BOND TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; MAKING PROVISIONS FOR THE PAYMENT OF THE BOND; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BOND.

WHEREAS, the Public Service Board (the "Board") of the Bradley Public Service District (the "District") has duly and officially adopted a Bond Resolution on January 5, 2005 (the "Resolution"), entitled:

> RESOLUTION AUTHORIZING THE PREPAYMENT OF THE SEWERAGE SYSTEM DESIGN NOTE, SERIES 2002B (WEST VIRGINIA INFRASTRUCTURE FUND), OF BRADLEY PUBLIC SERVICE DISTRICT AND THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF BRADLEY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $6,192,677 IN AGGREGATE PRINCIPAL AMOUNT OF ITS SEWER REVENUE BOND, SERIES 2005 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNER OF SUCH BOND; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BOND; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BOND; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BOND AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Resolution provides for the issuance of the Bradley Public Service District, Sewer Revenue Bond, Series 2005 A (State Revolving Fund) (the "Bond"), in the aggregate principal amount of $6,192,677, and has authorized the execution and delivery of a

Loan Agreement by and among the District, the West Virginia Water Development (the "Authority"), and the West Virginia Department of Environmental Protection ("DEP") relating to the Bond (the "Loan Agreement"), including all schedules and exhibits attached thereto, all in accordance with Chapter 16, Article 13A and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act");

WHEREAS, the Resolution provided that the exact principal amount, date, maturity date, interest rate, interest and principal payment dates, sale price and other terms of the Bond should be established by a supplemental resolution pertaining to the Bond, and other matters relating to the Bond be herein provided for;

WHEREAS, the Loan Agreement has been presented to the District at this meeting;

WHEREAS, the Bond is proposed to be purchased by the Authority pursuant to the Loan Agreement;

WHEREAS, a commitment letter has been presented to the District at this meeting;

WHEREAS, the Board deems it essential and desirable that this Supplemental Resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement and commitment letter be approved and ratified by the District, and that the exact principal amount, the date, the maturity date, the interest rate, the interest and principal payment dates, the sales price and other terms of the Bond be fixed hereby in the manner stated herein, and that other matters relating to the Bond be herein provided for; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF THE BRADLEY PUBLIC SERVICE DISTRICT AS FOLLOWS:

Section 1. Pursuant to the Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Bradley Public Service District, Sewer Revenue Bond, Series 2005 A (State Revolving Fund), originally represented by one bond, numbered AR-1, in the principal amount of $6,192,677. The Bond shall be dated the date of delivery thereof, shall finally mature September 1, 2036, and shall bear no interest. The principal on the Bond is payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2006, in the amounts as set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Bond. The Bond shall be subject to redemption upon the written consent of the DEP and the Authority, upon payment of the redemption premium, if any, and upon continued compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bond. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 0.5% of the principal amount of the Bond set forth in Schedule Y attached to the Loan Agreement.

Section 2. All other provisions relating to the Bond and the text of the Bond shall be in substantially the form provided in the Resolution.

Section 3. The District does hereby authorize, approve and ratify the Loan Agreement and the commitment letter, copies of which are incorporated herein by reference, and the execution and delivery of the Loan Agreement and the commitment letter by the Chairman, and the performance of the obligations contained therein on behalf of the District are hereby authorized, directed, ratified and approved. The District hereby affirms all covenants and representations made in the Loan Agreement and in the Application to the DEP and the Authority. The price of the Bond shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds will be advanced from time to time as requisitioned by the District.

Section 4. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission to serve as Paying Agent for the Bond, and The City National Bank of West Virginia to serve as Registrar and Depository Bank.

Section 5. The proceeds of the Bond, as advanced from time to time, shall be deposited in or credited to the Series 2005 Project Fund, as received from time to time for payment of Costs of the Project, including costs of issuance of the Bond.

Section 6. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bond hereby and by the Resolution approved and provided for, to the end that the Bond may be delivered on or about January 14, 2005, to the Authority pursuant to the Loan Agreement.

Section 7. The financing of the Project in part with proceeds of the Bond is in the public interest, serves a public purpose of the District and will promote the health, welfare and safety of the residents of the District.

Section 8. The District hereby determines to invest all moneys in the funds and accounts established by the Resolution held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the District hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such money market accounts until further directed in writing by the District. Moneys in the Series 2005 Bond Sinking Fund and the Series 2005 Bond Reserve Account shall be invested by the Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 9. The District hereby approves and accepts all contracts relating to the financing and construction of the Project. The District hereby approves the costs of issuance and authorizes the payment of the same.

Section 10. This Supplemental Resolution shall be effective immediately following adoption hereof.

Dated: January 5, 2005

BRADLEY PUBLIC SERVICE DISTRICT

[SEAL]

By: _____
Chairman, Public Service Board

_____
Secretary, Public Service Board

CERTIFICATION

Certified as a true copy of the Supplemental Resolution adopted by the Public Service Board of the Bradley Public Service District on January 5, 2005.

Dated: January 5, 2005.

_____
Secretary, Public Service Board

[SEAL]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BRADLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2005 A
(STATE REVOLVING FUND)

SPECIMEN

No. AR-1 $6,192,677

KNOW ALL MEN BY THESE PRESENTS: That BRADLEY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Raleigh County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of SIX MILLION ONE HUNDRED NINETY-TWO THOUSAND SIX HUNDRED SEVENTY-SEVEN DOLLARS ($6,192,677), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2006, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2006, as set forth on EXHIBIT B attached hereto.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the DEP, dated January 5, 2005.

This Bond is issued (i) to pay a portion of the costs of acquiring, constructing and equipping certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public sewerage facilities of the Issuer, the improvements and extensions constructed by the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by

SPECIMEN

the Issuer on January 5, 2005, and a Supplemental Resolution duly adopted by the Issuer on January 5, 2005 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) SEWER REVENUE BOND, SERIES 1978, (2) SEWER REVENUE BONDS, SERIES 1995 A, SERIES 1995 B AND SERIES 1995 C, AND (3) SEWER REVENUE BOND, SERIES 2002A (STATE REVOLVING FUND)(COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for this Bond (the "Series 2005 Bond Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds that may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2005 Bond Reserve Account and unexpended proceeds of this Bond. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on this Bond and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds; provided however, that so long as there exists in the Series 2005 Bond Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owner of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owner of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by

the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of constructing the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, BRADLEY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated January 14, 2005.

[SEAL]

SPECIMEN

Chairman

ATTEST:

SPECIMEN

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2005 Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: January 14, 2005.

THE CITY NATIONAL BANK OF WEST VIRGINIA,
as Registrar

By: _____
Assistant Vice President and Trust Officer

SPECIMEN

EXHIBIT A

SPECIMEN

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $38,750.00	1/14/05	(19) $	
(2) $		(20) $	
(3) $		(21) $	
(4) $		(22) $	
(5) $		(23) $	
(6) $		(24) $	
(7) $		(25) $	
(8) $		(26) $	
(9) $		(27) $	
(10) $		(28) $	
(11) $		(29) $	
(12) $		(30) $	
(13) $		(31) $	
(14) $		(32) $	
(15) $		(33) $	
(16) $		(34) $	
(17) $		(35) $	
(18) $		(36) $	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

$6,192,677
Bradley Public Service District
30 Years, 0% Interest Rate, 0.5%
Administrative Fee
Closing Date: January 14, 2005

SPECIMEN

Debt Service Schedule

Date	Principal	Coupon	Total P+I
03/01/2005	-	-	-
06/01/2005	-	-	-
09/01/2005	-	-	-
12/01/2005	-	-	-
03/01/2006	-	-	-
06/01/2006	-	-	-
09/01/2006	-	-	-
12/01/2006	51,605.65	-	51,605.65
03/01/2007	51,605.65	-	51,605.65
06/01/2007	51,605.65	-	51,605.65
09/01/2007	51,605.65	-	51,605.65
12/01/2007	51,605.65	-	51,605.65
03/01/2008	51,605.65	-	51,605.65
06/01/2008	51,605.65	-	51,605.65
09/01/2008	51,605.65	-	51,605.65
12/01/2008	51,605.65	-	51,605.65
03/01/2009	51,605.65	-	51,605.65
06/01/2009	51,605.65	-	51,605.65
09/01/2009	51,605.65	-	51,605.65
12/01/2009	51,605.65	-	51,605.65
03/01/2010	51,605.65	-	51,605.65
06/01/2010	51,605.65	-	51,605.65
09/01/2010	51,605.65	-	51,605.65
12/01/2010	51,605.65	-	51,605.65
03/01/2011	51,605.65	-	51,605.65
06/01/2011	51,605.65	-	51,605.65
09/01/2011	51,605.65	-	51,605.65
12/01/2011	51,605.64	-	51,605.64
03/01/2012	51,605.64	-	51,605.64
06/01/2012	51,605.64	-	51,605.64

09/01/2012	51,605.64	-	51,605.64
12/01/2012	51,605.64	-	51,605.64
03/01/2013	51,605.64	-	51,605.64
06/01/2013	51,605.64	-	51,605.64
09/01/2013	51,605.64	-	51,605.64
12/01/2013	51,605.64	-	51,605.64
03/01/2014	51,605.64	-	51,605.64
06/01/2014	51,605.64	-	51,605.64
09/01/2014	51,605.64	-	51,605.64
12/01/2014	51,605.64	-	51,605.64
03/01/2015	51,605.64	-	51,605.64
06/01/2015	51,605.64	-	51,605.64
09/01/2015	51,605.64	-	51,605.64
12/01/2015	51,605.64	-	51,605.64
03/01/2016	51,605.64	-	51,605.64
06/01/2016	51,605.64	-	51,605.64
09/01/2016	51,605.64	-	51,605.64
12/01/2016	51,605.64	-	51,605.64
03/01/2017	51,605.64	-	51,605.64
06/01/2017	51,605.64	-	51,605.64
09/01/2017	51,605.64	-	51,605.64
12/01/2017	51,605.64	-	51,605.64
03/01/2018	51,605.64	-	51,605.64
06/01/2018	51,605.64	-	51,605.64
09/01/2018	51,605.64	-	51,605.64
12/01/2018	51,605.64	-	51,605.64
03/01/2019	51,605.64	-	51,605.64
06/01/2019	51,605.64	-	51,605.64
09/01/2019	51,605.64	-	51,605.64
12/01/2019	51,605.64	-	51,605.64
03/01/2020	51,605.64	-	51,605.64
06/01/2020	51,605.64	-	51,605.64
09/01/2020	51,605.64	-	51,605.64
12/01/2020	51,605.64	-	51,605.64
03/01/2021	51,605.64	-	51,605.64
06/01/2021	51,605.64	-	51,605.64
09/01/2021	51,605.64	-	51,605.64
12/01/2021	51,605.64	-	51,605.64
03/01/2022	51,605.64	-	51,605.64
06/01/2022	51,605.64	-	51,605.64
09/01/2022	51,605.64	-	51,605.64
12/01/2022	51,605.64	-	51,605.64
03/01/2023	51,605.64	-	51,605.64
06/01/2023	51,605.64	-	51,605.64
09/01/2023	51,605.64	-	51,605.64
12/01/2023	51,605.64	-	51,605.64
03/01/2024	51,605.64	-	51,605.64
06/01/2024	51,605.64	-	51,605.64
09/01/2024	51,605.64	-	51,605.64

SPECIMEN

SPECIMEN

12/01/2024	51,605.64	-	51,605.64
03/01/2025	51,605.64	-	51,605.64
06/01/2025	51,605.64	-	51,605.64
09/01/2025	51,605.64	-	51,605.64
12/01/2025	51,605.64	-	51,605.64
03/01/2026	51,605.64	-	51,605.64
06/01/2026	51,605.64	-	51,605.64
09/01/2026	51,605.64	-	51,605.64
12/01/2026	51,605.64	-	51,605.64
03/01/2027	51,605.64	-	51,605.64
06/01/2027	51,605.64	-	51,605.64
09/01/2027	51,605.64	-	51,605.64
12/01/2027	51,605.64	-	51,605.64
03/01/2028	51,605.64	-	51,605.64
06/01/2028	51,605.64	-	51,605.64
09/01/2028	51,605.64	-	51,605.64
12/01/2028	51,605.64	-	51,605.64
03/01/2029	51,605.64	-	51,605.64
06/01/2029	51,605.64	-	51,605.64
09/01/2029	51,605.64	-	51,605.64
12/01/2029	51,605.64	-	51,605.64
03/01/2030	51,605.64	-	51,605.64
06/01/2030	51,605.64	-	51,605.64
09/01/2030	51,605.64	-	51,605.64
12/01/2030	51,605.64	-	51,605.64
03/01/2031	51,605.64	-	51,605.64
06/01/2031	51,605.64	-	51,605.64
09/01/2031	51,605.64	-	51,605.64
12/01/2031	51,605.64	-	51,605.64
03/01/2032	51,605.64	-	51,605.64
06/01/2032	51,605.64	-	51,605.64
09/01/2032	51,605.64	-	51,605.64
12/01/2032	51,605.64	-	51,605.64
03/01/2033	51,605.64	-	51,605.64
06/01/2033	51,605.64	-	51,605.64
09/01/2033	51,605.64	-	51,605.64
12/01/2033	51,605.64	-	51,605.64
03/01/2034	51,605.64	-	51,605.64
06/01/2034	51,605.64	-	51,605.64
09/01/2034	51,605.64	-	51,605.64
12/01/2034	51,605.64	-	51,605.64
03/01/2035	51,605.64	-	51,605.64
06/01/2035	51,605.64	-	51,605.64
09/01/2035	51,605.64	-	51,605.64
12/01/2035	51,605.64	-	51,605.64
03/01/2036	51,605.64	-	51,605.64

SPECIMEN

06/01/2036	51,605.64	-	51,605.64
09/01/2036	51,605.64	-	51,605.64
Total	**$6,192,677.00**	**-**	**$6,192,677.00** *

***Plus $3,902.68 one-half percent administrative fee paid quarterly. Total fee over life of loan is $468,321.60.**

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20__.

_____
SPECIMEN

In the presence of:

_____
SPECIMEN

BOND REGISTER

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BRADLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2005 A
(STATE REVOLVING FUND)

Bond Number	Principal Amount	Date of Bond
No. AR-1	$6,192,677	January 14, 2005

NO WRITING ON THIS BOND REGISTER EXCEPT BY THE REGISTRAR

Name of Registered Owner:

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311

Signature of Registrar:

The City National Bank of West Virginia

By: _____
Assistant Vice President and Trust Officer